

## Insurance and Real Estate Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-844

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S  
RECOMMENDATIONS REGARDING VALUE-ADDED PRODUCTS AND

**Title:** SERVICES AND PROHIBITED INSURANCE PRACTICES.

**Vote Date:** 3/22/2021

**Vote Action:** Joint Favorable

**PH Date:** 2/11/2021

**File No.:**

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### SPONSORS OF BILL:

Insurance and Real Estate Committee

### REASONS FOR BILL:

The bill gives insurance companies and other persons or parties the ability to provide value-added products and non-cash gifts beyond what's in the specified policy of insurance. The second part of the bill aims to prevent insurance companies and other persons or parties from offering insurance as a means to get the consumer to purchase other insurance policies and to ban certain words from being used in advertisements. The goal is to have insurance companies use these incentives in a non-discriminatory and transparent manner to the consumers benefit. There is concern that these inducements could be used without the consumers best interests in mind, to which this legislation directly addresses by placing safeguards against such ill-treatment.

### RESPONSE FROM ADMINISTRATION/AGENCY:

**Andrew Mais, Commissioner, Connecticut Insurance Department:** The bill will provide an opportunity for consumers to have access to innovative products and services. It will amend existing statues that currently prohibit insurance companies from providing consideration or inducement not specified in the insurance policy. The Department will be able to track and see the effects of any specific value-added products or services.

### NATURE AND SOURCES OF SUPPORT:

None Expressed

**NATURE AND SOURCES OF OPPOSITION:**

**Debbie Osborn, Connecticut Society of Eye Physicians, Connecticut Ear Nose and Throat Society, The Connecticut Dermatology & Dermatologic Surgery Society, Connecticut Urology Society:**

SB 844 further shifts the balance of power in favor of insurance companies. It should not be insurance companies deciding whether a value-added product in healthcare enhances a consumer's health but rather by doctors and other medical professionals. They do not want undue influence or coercion by insurance companies who value profitability over optimal care. Healthcare is not an industry that has easily identifiable value-added features and should therefore not be lumped into the same category as other commercial industries.

**Reported by: Kyle Del Balso**

**Date: April 5, 2021**