



PA 21-93—HB 6590

Insurance and Real Estate Committee

AN ACT PROHIBITING CERTAIN INSURANCE DISCRIMINATION AND ESTABLISHING A TASK FORCE TO STUDY INSURANCE COSTS BORNE BY BUSINESSES LOCATED IN DISTRESSED MUNICIPALITIES

SUMMARY: This act prohibits health carriers (e.g., health insurers and HMOs) that issue disability income protection policies from refusing to insure a person, varying the terms of coverage, or charging a different rate for coverage because the person has been a victim of domestic violence. Prior law prohibited health carriers issuing other types of health insurance policies from taking these actions because a person had been a family violence victim, which was an undefined term. The act instead prohibits them from taking these actions because a person has been a victim of domestic violence, as defined in state law (see **BACKGROUND**).

The act also prohibits:

1. property and casualty insurers from making any distinction or discrimination against a person when issuing, renewing, amending, or terminating a policy or setting premiums or coverage terms because the person has been a domestic violence victim and
2. life insurers from making any distinction or discrimination against a person in premiums, rates, or the amount payable on a policy because of the person's sexual orientation, gender identity, or domestic violence victim status (existing law already prohibits these actions based on a person's race).

Under the act, any health carrier or insurer that violates these prohibitions commits a Connecticut Unfair Insurance Practices Act (CUIPA) violation (see **BACKGROUND**).

The act also establishes a nine-member task force to study the insurance costs borne by businesses in distressed municipalities. It specifies the appointing authorities and member qualifications. The task force must report findings and recommendations to the Insurance and Real Estate Committee by January 1, 2022. It terminates when it submits its report or January 1, 2022, whichever is later.

Lastly, the act makes technical changes.

EFFECTIVE DATE: October 1, 2021, except the task force provisions are effective upon passage.

TASK FORCE

The act establishes a task force to study the insurance costs borne by

OLR PUBLIC ACT SUMMARY

businesses in distressed municipalities. Under the act, the task force must study, at a minimum, insurance underwriting practices affecting businesses in distressed municipalities, and the factors driving the insurance rates they pay.

The task force includes the insurance commissioner or his designee, and eight appointed members, as shown in the table below.

Appointed Members' Qualifications and Appointing Authorities

Appointing Authority	Number	Qualifications
House speaker	One	Must be an advocate for groups historically underrepresented in the business community
Senate president pro tempore	One	Must be a Connecticut-licensed insurance producer
House majority leader	One	None
Senate majority leader	One	None
House minority leader	One	Must have experience working for an insurer doing business in Connecticut
Senate minority leader	One	None
Governor	Two	One must be an advocate for groups historically underrepresented in the business community

The appointing authorities must make initial appointments by July 28, 2021, and fill any vacancies. Members appointed by legislative leaders may be legislators.

Under the act, the House speaker and Senate president pro tempore select the task force's chairpersons from among its members. The chairpersons must schedule the first meeting and hold it by August 27, 2021.

The Insurance and Real Estate Committee's administrative staff serves as the task force's administrative staff.

BACKGROUND

Victim of Domestic Violence

By law, "victim of domestic violence" means a person who has been abused or subjected to extreme cruelty by any of the following:

1. physical acts that resulted in, or threatened to result in, physical injury;
2. sexual abuse;
3. sexual activity involving a child in the home;
4. being forced to participate in nonconsensual sexual acts or activities;

OLR PUBLIC ACT SUMMARY

5. threats of, or attempts at, physical or sexual abuse;
6. mental abuse; or
7. neglect or deprivation of medical care (CGS § 17b-112a).

Connecticut Unfair Insurance Practices Act

CUIPA prohibits engaging in unfair or deceptive acts or practices in the business of insurance. It authorizes the insurance commissioner to conduct investigations and hearings, issue cease and desist orders, impose fines, revoke or suspend licenses, and order restitution for per se violations (i.e., violations specifically listed in statute). The law also allows the commissioner to ask the attorney general to seek injunctive relief in Superior Court if he believes someone is engaging in other unfair or deceptive acts not specifically defined in statute.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if the violation was knowingly committed. The law also imposes a fine of up to \$50,000, in addition to or in place of a license suspension or revocation, for violating a cease and desist order.