



**PA 23-127**—sSB 1039

*Insurance and Real Estate Committee*

**AN ACT CONCERNING THE INSURANCE DEPARTMENT'S RECOMMENDATIONS REGARDING FINANCIAL REGULATION, LIFE INSURANCE AND INSURANCE LICENSING REQUIREMENTS AND TECHNICAL CORRECTIONS AND REVISIONS TO THE LIFE AND HEALTH INSURANCE STATUTES**

**SUMMARY:** This act makes several unrelated changes to the insurance statutes. Specifically, it does the following:

1. authorizes the insurance commissioner to require people and entities to pay Insurance Department fees electronically and establishes a waiver process for the requirement (§ 1);
2. requires certified reinsurers and reciprocal jurisdiction reinsurers to pay the Insurance Department a fee of \$2,000 for each regulatory certificate issued and renewed (§ 1);
3. allows non-resident persons or entities to get a nonresident state license in Connecticut and designate Connecticut as their home state if their resident state does not offer the same or equivalent license (§ 2);
4. explicitly applies certain provisions of the general licensing statute to any licensee or license applicant, including an insurance producer licensee or applicant (§ 2); and
5. makes technical corrections to the applicability of the health insurance statutes requiring dependent coverage, specifically by removing references to accident-only policies, which do not cover a dependent's illness-related expenses (§§ 3-10).

Additionally, the act prohibits certain health insurance policies, beginning January 1, 2024, from discriminating between people on the basis of gender identity or expression, sexual orientation, or age with respect to health insurance coverage for medically necessary infertility diagnosis and treatment. It also revises the parameters for policies covering infertility-related expenses to conform to the federal Affordable Care Act (§§ 11 & 12).

EFFECTIVE DATE: October 1, 2023

**§ 1 — STATUTORY INSURANCE FEES**

*Electronic Payment*

The act authorizes the insurance commissioner to require people and entities to pay fees to the Insurance Department electronically. However, it requires the commissioner to waive this requirement for any person or entity that requests it if he determines that (1) compliance is impractical or causes undue hardship or (2)

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good cause otherwise exists.

### *Reinsurer Fees*

The act creates two statutory fees for certified reinsurers and reciprocal jurisdiction reinsurers, setting each fee at \$2,000 for each certificate issued or renewed. State law and regulations require these reinsurers to apply to the department for certification.

## § 2 — INSURANCE LICENSURE REQUIREMENTS

### *Non-Resident Licenses*

The act sets eligibility requirements for people or entities to get certain non-resident licenses from the Insurance Department. It allows non-resident persons or entities to apply for and get a nonresident state license and designate Connecticut as their home state if their resident state does not offer the same or equivalent resident license and they maintain a principal place of business in Connecticut.

This applies to the following licenses: public adjuster, casualty adjuster, motor vehicle physical damage appraiser, certified insurance consultant, surplus lines broker, or any insurance-related occupation for which a license is deemed necessary by the commissioner, other than an insurance producer.

### *Insurance Producers*

In 2014, a Connecticut court ruled that because the legislature adopted specific insurance producer requirements in 2001 (PA 01-113), the general licensing statute does not apply to insurance producers (*Lagueux v. Leonardi*, 148 Conn. App. 234 (2014)). The act explicitly applies certain provisions of the general insurance licensing statute (i.e., CGS § 38a-769(b)-(i)) to any licensee or license applicant, including an insurance producer licensee or applicant (e.g., the applicant must prove to the commissioner that he or she is financially responsible and of sound moral character).

## §§ 11 & 12 — MANDATED HEALTH INSURANCE COVERAGE FOR INFERTILITY DIAGNOSIS AND TREATMENT

### *Changes to Conform to Federal Law*

By law, certain individual and group health insurance policies must cover the medically necessary costs of diagnosing and treating infertility (i.e., being unable to conceive or produce conception or sustain a successful pregnancy during a one-year period or the treatment is medically necessary).

Prior law allowed insurers to impose certain limits on the coverage (e.g., number of attempts, among other things). The act eliminates the ability of a policy to (1) limit infertility coverage to those (a) under age 40 and (b) who had coverage

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under the policy for at least 12 months and (2) require an insured to disclose any previous infertility treatment covered under a different policy. These changes generally conform the coverage provision to the federal Affordable Care Act and codify the Insurance Department's Bulletin HC-125 (2019).

### *Nondiscrimination Provision*

The act prohibits certain individual and group health insurance policies from discriminating between people on the basis of gender identity or expression, sexual orientation, or age with respect to health insurance coverage for medically necessary infertility diagnosis and treatment. However, a policy may consider age as a factor when determining medical necessity, using guidelines from the American Society for Reproductive Medicine or a comparable organization. Under the act, this nondiscrimination provision does not apply when a religious employer or individual excludes infertility coverage from a policy due to their religious tenets, as allowed by law.

By law, "gender identity or expression" is a person's gender-related identity, appearance, or behavior, whether or not it differs from that traditionally associated with the person's physiology or assigned sex at birth. It can be shown by providing evidence in various ways, including (1) medical history; (2) care or treatment of the gender-related identity; (3) consistent and uniform assertion of the identity; or (4) any other evidence that the identity is sincerely held, part of a person's core identity, or not asserted for an improper purpose.

### *Applicability*

The act applies the federal law conforming changes to policies delivered, issued, renewed, amended, or continued in Connecticut on and after October 1, 2023, that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including those provided under an HMO plan. It applies the nondiscrimination provisions to these policies that are delivered, issued, renewed, amended, or continued in Connecticut on and after January 1, 2024. (Because of the federal Employee Retirement Income Security Act, state insurance benefit mandates do not apply to self-insured benefit plans.)