General Assembly

Raised Bill No. 6434

January Session, 2025

LCO No. **3569**

Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL REVISIONS TO THE INSURANCE-RELATED STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (a) of section 38a-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) The Insurance Commissioner or the commissioner's authorized representative may, as often as the commissioner deems necessary, conduct investigations and hearings in aid of any investigation on any matter under the provisions of this title. Pursuant to any such investigation or hearing, the commissioner or the commissioner's authorized representative may issue data calls **[**,**]** and subpoenas, administer oaths, compel testimony, order the production of books, records, papers and documents **[**,**]** and examine books and records. Any person in receipt of an order from the commissioner or the commissioner's authorized representative for the production of books, records, papers or documents shall comply with the order not later than

thirty calendar days after the date of such order. If any person refuses to allow the examination of books and records, to appear, to testify or to produce any book, record, paper or document when so ordered, a judge of the Superior Court, upon application of the commissioner or the commissioner's authorized representative, may make such order as may be appropriate to aid in the enforcement of this section.

(2) Data provided in response to a data call under this section shall not be subject to disclosure under section 1-210.

Sec. 2. Subsection (a) of section 38a-297 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For the purposes of sections 38a-295 to 38a-300, inclusive, a policy shall be deemed readable if: (1) The text achieves a minimum score of forty-five on the Flesch reading ease test as computed in section 38a-298 or an equivalent score on any other test comparable in result and approved by the commissioner, (2) it is printed, except for specification pages, schedules and tables, in not less than ten-point type, one-point leaded, of a height and style specified by the commissioner in regulations adopted in accordance with the provisions of chapter 54, (3) it uses layout and spacing which separate the paragraphs from each other and from the border of the paper, (4) it has section titles captioned in boldface type or which otherwise stand out significantly from the text, (5) it avoids the use of unnecessarily long, complicated or obscure words, sentences, paragraphs or constructions, (6) the style, arrangement and overall appearance of the policy give no undue prominence to any portion of the text of the policy or to any endorsements or riders, and (7) it contains a table of contents or an index of the principal sections of the policy, if the policy has more than three thousand words or if the policy has more than three pages. To be deemed readable, each policy of individual health insurance shall include a separate outline of coverage showing the major coverage, benefit, exclusion and renewal provisions of the policy in readily

understandable terms, provided the policy shall take precedence over the outline of coverage.

Sec. 3. Subdivision (1) of subsection (b) of section 38a-556 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) (1) The board of directors of the association shall be made up of nine individuals selected by participating members, subject to approval by the commissioner, two of whom shall be appointed by the commissioner on or before July 1, 1993, to represent health care centers. To select the initial board of directors, and to initially organize the association, the commissioner shall give notice to all members of the time and place of the organizational meeting. In determining voting rights at the organizational meeting, each member shall be entitled to vote in person or by proxy. The vote shall be a weighted vote based upon the net health insurance premium derived from this state in the previous calendar year. If the board of directors is not selected within sixty days after notice of the organizational meeting, the commissioner may appoint the initial board. In approving or selecting members of the board, the commissioner may consider, among other things, whether all members are fairly represented. Members of the board may be reimbursed from the moneys of the association for expenses incurred by them as members, but shall not otherwise be compensated by the association for their services.

Sec. 4. Subsection (d) of section 38a-790 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) For purposes of this section and section 38a-769:

(1) "Motor vehicle" has the same meaning as provided in section 14-1; and

(2) "Motor vehicle physical damage appraiser" means any person,

partnership, association, limited liability company or corporation that practices as a business the appraising of damages to motor vehicles insured under automobile physical damage policies or on behalf of third-party claimants.

Sec. 5. Subsection (c) of section 38a-792 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) Any person who violates any provision of this section shall be fined not more than two thousand dollars or imprisoned not more than one year, or both.

Sec. 6. Section 14-67h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in this part, sections 14-103a, 14-149, 14-152, **[**and**]** 14-184 **[**,**]** and subsection (b) of section 14-196, **[**and section 38a-356,**]** "major component parts" has the same meaning as provided in subdivision (2) of subsection (a) of section 14-149a.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	38a-16(a)
Sec. 2	*from passage*	38a-297(a)
Sec. 3	*from passage*	38a-556(b)(1)
Sec. 4	*from passage*	38a-790(d)
Sec. 5	*from passage*	38a-792(c)
Sec. 6	*from passage*	14-67h

Statement of Purpose:
To make technical revisions to insurance-related statutes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]