

# Insurance and Real Estate Committee

## JOINT FAVORABLE REPORT

**Bill No:** HB-5373 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S

**Title:** RECOMMENDATIONS FOR REVISIONS TO THE INSURANCE STATUTES.

**Vote Date:** 3/12/2026

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/3/2026

**File No.:**

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### **SPONSORS OF BILL:**

Insurance and Real Estate Committee

### **REASONS FOR BILL:**

The bill seeks to streamline operations for the Department of Insurance and increase protections for consumers. Among many provisions, the bill repeals antiquated requirements for notices regarding licensure to be sent via certified mail and permits electronic transmission, resulting in improved efficiency and cost savings. Additionally, the bill will require a prominent statement at the beginning of the first page of the premium bill for personal risk insurance policyholders, so they have contact information to request additional information regarding premium increases. If the increase is 10% or greater, the dollar amount attributable to each primary factor must be listed. These measures will increase transparency for the insured, to understand the insurers' justification for the premium increases and to prevent unwarranted rate hikes. Finally, to avoid lapses in care that could result in adverse health outcomes, patients and their treating physicians are granted 90 days' notice of formulary changes.

### **SUBSTITUTE LANGUAGE (IF APPLICABLE):**

The substitute language in HB 5373 was used to make a series of technical and clarifying revisions to ensure the bill is accurate, better organized, and workable in practice. Specifically, it refines certain provisions (such as notice requirements and valuation standards), provides the Insurance Commissioner with flexibility in implementation (including compliance timelines), and reorganizes sections for clarity and consistency.

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

**Insurance Department, Joshua Hershman, Interim Commissioner:** supports the bill, believing that it will modernize operations and improve consumer protections. He highlighted that the bill would ensure policyholders are notified and consent to changes in their carrier in cases involving assumption reinsurance. Additionally, there is an expansion in prescription notification coverage requirements to include reductions in coverage made at the time of plan renewal and midyear changes that meet certain requirements.

#### **NATURE AND SOURCES OF SUPPORT:**

**CT Association of Health Plans, Susan Halpin, Executive Director:** supports the bill with an amendment that formulary changes that take effect upon policy renewal are removed from the notification requirements. While appropriate for policyholders to be notified of coverage changes mid-year, notifications prior to renewal would be administratively burdensome and resource intensive.

**CT Professional Insurance Agents, Brad Lachut, Director of Government and Industry:** support the bill, stressing that the amendments to Sections 38a-663 and 38a-696 of the CT General Statutes will increase transparency, consumer protections and market stability. Customers deserve to understand the products that they are purchasing and upfront notices of premium changes helps them make informed decisions on coverage levels, deductibles, and shopping options. The proposed notice requirement is operationally reasonable and does not require the disclosure of proprietary rating formulas or actuarial detail.

#### **NATURE AND SOURCES OF OPPOSITION:**

**APCIA, Kristina Baldwin, Vice President; IAC, Eric George, President; NAMIC, Sean McLaughlin, Regional Vice President:** oppose the bill, raising serious concerns about the implementation of Section 7, requiring written explanations of premium increases of 10% or more upon policyholder request. They stress that to provide this detailed information, particularly the dollar amount attributed to each primary factor resulting in the rate increase is difficult, as granular, actuarially complex models are utilized to calculate these values. Furthermore, if passed, the legislation has the potential to place Connecticut outside of the national regulatory framework. The systems are also not in place to accommodate such resource intensive and costly requests.

**State Farm Mutual Automobile Insurance Company, Brian Shoemaker:** opposes the bill, also concerned by Section 7, which would require that insurers provide notifications to their customers on policy-level rate increases. Shoemaker added that notifications can create confusion, consume staff resources and result in increased premium costs for policyholders.

**Reported by: Kyle Zingler**

**Date: 3/24/2026**