



Acts Affecting Insurance

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Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting insurance enacted during the 2021 regular session and June 2021 special session (JSS). OLR's other Acts Affecting reports, including Acts Affecting Housing and Real Estate, are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/actsaffecting.asp>.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden.

Complete summaries of public acts are, or will soon be, available on OLR's website:

<https://www.cga.ct.gov/olr/olrsums.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <http://www.cga.ct.gov>.

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Credit Life, Accident, and Health Policies

Minimum Loss Ratio Requirements

A new law establishes a loss ratio requirement for credit life and credit accident and health insurance policies of at least 50%. It requires the insurance commissioner to disapprove a policy form that does not comply with the loss ratio requirement. However, he may approve a premium rate deviation for a policy ([PA 21-137](#), §§ 5 & 6, effective October 1, 2021).

Discrimination and Consumer Protections

Domestic Violence, Sexual Orientation, and Gender Identity

A new law prohibits:

1. health carriers issuing 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;
2. 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
3. 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 ([PA 21-93](#), §§ 1-3, effective October 1, 2021).

Erased Criminal Records

Starting in 2023, a new law prohibits discrimination in various contexts based on someone's erased criminal history record information, including a few provisions related to insurance. For example, it prohibits auto insurance companies from declining, canceling, or refusing to renew insurance policies solely on this basis, unless the company is part of an insurer group and another group member would not decline a similar application on this basis. It also prohibits 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 erased criminal history record information ([PA 21-32](#), §§ 27 & 28, effective January 1, 2023).

Genetic Testing Results

A new law prohibits certain insurance entities from requesting, requiring, purchasing, or using direct-to-consumer genetic testing results without the tested individual's written consent. It also prohibits the entities from conditioning rates, coverage, or other insurance terms on (1) an individual undergoing genetic testing or (2) the genetic testing results of the individual's family

members, unless the results are in his or her medical records. A violation of these provisions is a Connecticut Unfair Insurance Practices Act violation ([PA 21-137](#), §§ 1-3, effective October 1, 2021).

Living Organ Donors

A new law prohibits life, long-term care, or disability-income protection insurers from discriminating against living organ donation by (1) declining or limiting coverage solely because the insured is a living organ donor, (2) prohibiting insureds from donating organs as a condition of maintaining the policy, or (3) otherwise discriminating in a policy's prices, conditions, or coverage solely because the insured is a living organ donor ([PA 21-156](#), effective January 1, 2022).

Long-Term Care Insurance Minimum Benefit Standards

By law, long-term care insurers filing for a rate increase of 20% or more must spread the premium increase over at least three years. A new law imposes consumer protections by (1) prohibiting insurers from filing a new rate increase during this three-year period and (2) requiring the insurance commissioner to develop a minimum set of affordable benefit options that insurers must offer to policyholders if they file a premium rate increase of 20% or more ([PA 21-150](#), effective January 1, 2022).

Travel Insurance and Suicide

A new law prohibits an insurance company from issuing a travel insurance policy in the state that excludes coverage because the insured person's (1) spouse, child, or dependent relative who resides in his or her household or (2) traveling companion, dies by suicide ([PA 21-47](#), effective October 1, 2021).

Health Insurance and Healthcare – General

Adverse Determinations

A new law changes the adverse determination process, which occurs after an individual receives a health insurance benefit denial. Among other things, it (1) eliminates a \$25 filing fee for certain adverse determination reviews and (2) requires health carriers, and not the insurance commissioner, to notify covered individuals about these reviews. It also makes changes to the review process timeframes ([PA 21-157](#), § 5, effective October 1, 2021).

Copay Accumulator Programs

A new law generally prohibits copay accumulator programs by requiring certain health carriers and pharmacy benefits managers, when calculating a covered individual's cost sharing liability for a covered benefit, to credit discounts provided and payments made by a third party for any portion of the cost sharing ([PA 21-14](#), effective January 1, 2022).

Dental, Health, and Vision Insurance for Children to Age 26

A new law requires certain dental, health, and vision insurance policies to continue coverage for children, stepchildren, or other dependent children until the policy anniversary date on or after they turn age 26 ([PA 21-149](#), effective January 1, 2022).

Explanation of Benefits

A new law changes how people can receive explanations of benefits (EOBs). The law, which requires health carriers and third-party administrators to provide EOBs to covered individuals, also allows individuals that can legally consent to services to specify how (and where) EOBs are delivered or opt out of receiving them entirely ([PA 21-22](#), effective January 1, 2023).

Health Care Coverage Identification Cards

A new law requires each health carrier or third-party administrator that issues a health care coverage identification card in the state to include a statement on the card identifying if the coverage is fully-insured or self-insured ([PA 21-2](#), (June Special Session) JSS, § 313, effective January 1, 2022).

Immunization Consultations

A new law requires certain health insurance policies to cover at least a 20-minute immunization consultation between a patient and a provider authorized to administer them (e.g., a physician or advanced practice registered nurse). Coverage is limited to consultations on immunizations recommended for the patient by the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices ([PA 21-6](#) §§ 10 & 11, effective January 1, 2022).

Mental Health Services Task Force

The legislature established a 10-member task force to study ways to encourage mental health service providers to participate in provider networks. The task force must report its findings and recommendations to the Insurance and Real Estate Committee by January 1, 2022 ([PA 21-125](#), § 4, effective upon passage).

Physician Assistants

A new law allows physician assistants to certify, sign, or otherwise document medical information in several situations that previously required a physician's or advanced practice registered nurse's signature, certification, or documentation. This includes certifying a patient's health condition or related information for purposes of several insurance laws ([PA 21-196](#), effective October 1, 2021).

Prescription Drug Formulary Changes

The legislature enacted a law that generally prohibits certain health carriers from removing a covered prescription drug from a formulary (i.e., a list of covered drugs) or moving it to a higher cost sharing tier during a plan year. However, the new law allows health carriers to (1) remove a prescription drug from a formulary with at least 90 days' advance notice if the U.S. Food and Drug Administration questions the drug's clinical safety or approves it for over-the-counter use and (2) move a drug to a higher cost-sharing tier if it is available in-network for \$40 or less per month in any tier ([PA 21-96](#), effective January 1, 2022).

Psychotropic Drugs

A new law prohibits certain health insurers from requiring a health care provider to prescribe more outpatient psychotropic drugs than he or she deems clinically appropriate. The law similarly prevents any mental health care benefits provided under state law, with state funds, or to state employees, from requiring a provider to prescribe more of these drugs than he or she deems clinically appropriate. Lastly, the law prohibits insurers from imposing a cost-sharing amount (e.g., coinsurance, copayment, or deductible) for a less than 90-day supply of these drugs that exceeds the 90-day supply, reduced pro-rata, cost-sharing amount ([PA 21-125](#), §§ 1-3, effective January 1, 2022).

Pulse Oximeters

A new law requires the Department of Public Health, by January 1, 2022, and in consultation with the Insurance Department, to develop educational materials on pulse oximeters. It also prohibits certain insurers and others providing health insurance from denying coverage for an otherwise covered benefit if the denial is exclusively based on the insured's blood oxygen level as measured by a pulse oximeter ([PA 21-57](#), effective July 1, 2021, except the insurance provision is effective January 1, 2022).

Telehealth

In response to the COVID-19 pandemic, the governor issued several executive orders in the spring of 2020 to modify the practice of telehealth to ensure residents had continued access to care.

During the July 2020 Special Session, the legislature enacted [PA 20-2](#), which temporarily codified several provisions of the governor's orders until March 15, 2021. A new law extends these telehealth provisions until June 30, 2023.

Among other things, the act continues to (1) expand the types of health professionals authorized to provide telehealth services, (2) expand allowable service delivery methods (e.g., telephone-only services), (3) establish requirements for telehealth providers seeking payment from underinsured and uninsured patients, and (4) expand requirements for insurance coverage of telehealth services ([PA 21-9](#), effective upon passage).

Health Insurance and Healthcare – State and Federal Programs

Birth-to-Three Eligible Children

A new law eliminates the requirement that the Office of Early Childhood (OEC) commissioner charge a fee on a sliding scale for the Birth-to-Three program, making it cost-free to Connecticut families. It also expands the program to enrolled children who are eligible for certain preschool programs but turn three before the program begins. Another new law makes conforming changes by expanding to eligible children, as defined by the new law, certain individual and group health insurance coverage for medically necessary early intervention services already available to children from birth to age three ([PA 21-46](#), §§ 24 & 28, effective upon passage, and [PA 21-2](#), JSS, §§ 419-421, effective July 1, 2021).

Covered Connecticut

This year, the legislature sought to reduce the state's uninsured rate by establishing the Covered Connecticut program, which provides health insurance premium and cost-sharing subsidies to ensure fully subsidized coverage for eligible people. Eligibility is phased in over the next two years, beginning with parents and needy caretaker relatives (and their dependents) who (1) are ineligible for Medicaid due to income and (2) have a silver-level qualified health plan and an income up to 175% of the federal poverty level. The new law also requires the Office of Health Strategy (OHS), which administers the program, and the Department of Social Services (DSS) to seek federal waivers to support and pay for the Covered Connecticut program. Specifically, OHS must seek a Section 1332 waiver to help advance the program's purposes and the DSS Commissioner must seek a Section 1115 Medicaid demonstration waiver for federal funds to support the program ([PA 21-2](#), JSS, §§ 15-19, effective upon passage).

Early Intervention Services Against Lifetime Insurance Limits

Prior law required the OEC commissioner to establish and periodically revise a schedule of fees for early intervention services based on a sliding scale relative to the financial resources of the parents or legal guardians of eligible children. A new law eliminates this requirement and instead prohibits the commissioner from charging a fee for early intervention services to the parents or legal guardians of eligible children. Prior law also required the commissioner to develop and implement procedures to hold a recipient harmless for the impact of pursuit of payment for early intervention services against lifetime insurance limits. The new law limits this requirement to services rendered prior to its passage ([PA 21-46](#), § 24, effective upon passage).

Elimination of HUSKY B Copayments

A new law prohibits copayments under HUSKY B (the state's Children's Health Insurance Program) from exceeding copayments paid by active state employees enrolled in one of the state's point of enrollment health care plans ([PA 21-123](#), effective upon passage).

Immigration Status Expansion

Under a new law, certain people may be eligible for medical assistance (e.g., HUSKY Health) regardless of their immigration status. Among other things, the act requires DSS to extend eligibility for medical assistance, subject to income limits and within available appropriations, to (1) children under age 9, beginning January 1, 2023, and (2) women for 12 months after giving birth, beginning April 1, 2023. In doing so, the DSS commissioner may seek a state innovation waiver under section 1332 of the federal Affordable Care Act ([PA 21-176](#) and [PA 21-2](#), JSS, § 344, effective October 1, 2021).

Medicare Supplement Plan D

A new law allows insurers and other related entities to issue Medicare supplement policies and certificates for plan D and makes related changes ([PA 21-2](#), JSS, § 310, effective July 1, 2021).

Third Party Liability for Medical Assistance Payments

Existing law authorizes DSS to recover claims from an insurer or other legally liable third party when the state pays for a health care service for which the third party is legally responsible. A new law establishes deadlines for insurers and other legally liable third parties to (1) act on claims DSS submits for covered health care services and (2) request refunds from DSS when they determine they are not liable for a claim for which they reimbursed DSS ([PA 21-2](#), JSS, § 334, effective July 1, 2021).

Healthcare Provider Contracts

Dental Provider Contracts

The legislature restricted when third parties can access a dental provider contract (e.g., a health carrier's dental network). Among other things, a new law (1) allows participating dental providers to decline to participate in third-party access if certain conditions are not met and (2) prohibits health carriers from refusing to contract with a dental provider because the provider declines third-party access ([PA 21-187](#), effective January 1, 2022).

Participating Provider Contracts

A new law makes changes to contracts entered into beginning July 1, 2022, between health carriers and participating providers. Among other things, the law (1) requires carriers to provide 90-days' notice before making certain changes to the contract and (2) allows providers to appeal those changes ([PA 21-2](#), JSS, § 83, effective October 1, 2021).

Higher Education Employees

Study on Expanding Insurance Coverage

A new law requires the state comptroller, in consultation with the Board of Regents and UConn Board of Trustees, to study and develop a plan to extend eligibility for participating in the state's medical group plan to certain part-time, professional higher education employees and retirees. The comptroller must report on the study to the Higher Education and Employment Advancement Committee by January 1, 2022 ([PA 21-132](#), § 8, effective upon passage).

Insurance Commissioner Reporting Requirements

Cannabis Establishment's Access to Insurance

A new law requires the insurance commissioner to report to the governor and Insurance and Real Estate Committee regarding access to insurance by cannabis establishments ([PA 21-1](#), JSS, § 64, effective upon passage).

Climate Change

A new law requires the insurance commissioner to report biennially on the Insurance Department's regulatory and supervisory actions to bolster insurers' resiliency to climate change impacts, among other things ([PA 21-2](#), JSS, § 312, effective October 1, 2021).

Insurance Industry

All-Payer Claims Database Fees

By law, the state's health insurance exchange may charge assessments or user fees to health carriers capable of offering a qualified health plan through the exchange to cover the exchange's costs. Among other things, a new law allows the exchange to charge these assessments or user fees to also cover the costs of the state's all-payer claims database ([PA 12-2](#), JSS, § 294, effective January 1, 2022).

Business Insurance Task Force

A new law 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 ([PA 21-93](#), § 4, effective upon passage).

Credit for Reinsurance Model Law

A new act aligns Connecticut's insurance laws with the National Association of Insurance Commissioners' (NAIC) 2019 amendments to its "Credit for Reinsurance Model Law," and in doing so (1) avoids federal preemption and (2) conforms to agreements between the United States and the European Union and United Kingdom. Among other things, these agreements eliminate collateral requirements as a condition for entering into a reinsurance agreement with a Connecticut-domiciled insurer or allowing the insurer to recognize credit for reinsurance ([PA 21-157](#), §§ 6-9, effective October 1, 2021).

Insurance Data Security Law

A new act makes several changes to the Insurance Data Security Law, which generally requires insurers and other entities regulated by the Insurance Department to inform the department and insureds about cybersecurity breaches. Among other things, the act (1) clarifies the law's scope, (2) delays implementation of several provisions by one year, (3) imposes new deadlines for submitting certain information to the insurance commissioner, and (4) changes which entities must notify the commissioner and insureds of cybersecurity breaches ([PA 21-157](#), § 3, effective upon passage).

Insurance Fund Assessments

A new law allows insurers to pay the Insurance Fund assessment all at once when the first installment is due on June 30, instead of quarterly ([PA 21-157](#), § 4, effective July 1, 2021).

Insurer Reporting Requirements

State law requires all domestic health care centers (i.e., HMOs) and insurers to annually report to the insurance commissioner on the number of Connecticut lives they insure or enroll. This data is used, among other ways, to calculate certain fees. A new law requires these entities to provide documentation to the commissioner, upon his request, substantiating the number of lives they report. It also allows the commissioner to fine them if (1) they fail to comply by the statutory deadline or (2) he finds data discrepancies not attributable to good faith mistakes ([PA 21-157](#), § 1, effective July 1, 2021).

State Insurance and Risk Management Board

A new law eliminates three gubernatorial appointments from the State Insurance and Risk Management Board, reducing its size from 13 members to 10, and makes conforming changes (e.g., to the number of members required for a quorum). By law, the board consists of gubernatorial appointees and the state comptroller (or his designee) as an ex-officio member ([PA 21-76](#), § 16, effective July 1, 2021).

Insurance Producer and Surety Bail Bond Licensees

Insurance Producer Education

A new law reduces the number of hours of course study an insurance producer license applicant must complete before sitting for a license examination from 40 to 20 hours ([PA 21-137](#), § 7, effective October 1, 2021).

Surety Bail Bond Agents

A new law changes the requirements for surety bail bond agents, including by (1) establishing an automatic license expiration process for when a surety bail bond agent fails to pay the required annual \$450 examination fee and (2) authorizing the insurance commissioner to adopt continuing education requirement regulations. It also requires money in the surety bail bond examination account to be transferred to the General Fund at the end of the calendar year, instead of the end of the fiscal year ([PA 21-157](#), §§ 10 & 11, effective October 1, 2021).

Motor Vehicles

Commercial Passenger Vehicle Insurance

A new law modifies the requirements for insurance policies and indemnity bonds for buses, taxis, livery service vehicles, and student transportation vehicles. Among other things, it requires these vehicles to have a single liability limit, rather than allowing split liability. It also increases the

minimum insurance coverage requirements for non-livery service vehicles that transport eight or more passengers, including aligning certain vehicles with amounts established under federal law ([PA 21-106](#), § 8, effective October 1, 2021).

Insurer Possession of Vehicles

New legislation generally (1) creates a process for insurers that take possession of a vehicle as a result of a damage or theft claim settlement to apply to the Department of Motor Vehicles for certain title documents if they cannot obtain them from the insured or lienholder and (2) makes changes to powers of attorney used to support an insurer’s application for, or transfer of, title certificates ([PA 21-106](#), § 39, effective October 1, 2021).

Peer-to-Peer (P2P) Car Sharing Regulatory Requirements

A new law imposes regulatory requirements, including insurance and liability requirements, on P2P car sharing (i.e., car-sharing for compensation through a platform, such as Turo and Getaround). These include:

1. requiring P2P car sharing companies to ensure that owners and drivers are covered under a primary insurance policy that meets minimum requirements and recognizes that the vehicle is available on a car sharing platform,
2. requiring a P2P car sharing company to provide coverage for claims if an owner’s or driver’s policy has lapsed,
3. exempting P2P car sharing companies and vehicle owners from vicarious liability claims, and
4. explicitly allowing insurers to exclude coverage for shared vehicle owners and giving insurers who defend excluded claims the right to seek recovery against the P2P car sharing company’s insurer ([PA 21-106](#), §§ 52-64, effective January 1, 2022).

Personal Risk Insurance

Flex Rating Law

A new law delays the sunset date for the personal risk insurance “flex rating” law from July 1, 2021, to July 1, 2025 ([PA 21-2](#), JSS, § 311, effective June 30, 2021).

Real Estate

Contractors' Proof of Insurance

A new law requires registered new home construction contractors and home improvement contractors to show proof of general liability insurance providing at least \$20,000 in coverage when they register annually with the Department of Consumer Protection ([PA 21-197](#), §§ 1 & 6, effective July 1, 2022).

Crumbling Foundations

A new law addressing the state's crumbling foundations problem makes the Connecticut Foundation Solutions Indemnity Company (CFSIC) permanent by eliminating the June 30, 2022, termination date in prior law. It also requires CFSIC to study the impact of pyrrhotite-related foundation damage in nonresidential buildings and adds two gubernatorial appointees to its board of directors and ([PA 21-120](#), §§ 2-4, and [PA 21-2](#), JSS, § 58, effective July 1, 2021).

Homeowners Policy Cancellation

A new law codifies the Insurance Department's existing administrative policy for homeowners insurance policy cancellations by (1) requiring insurers to notify consumers about a cancellation, (2) establishing the cancellation process and timeframes, and (3) specifying permissible cancellation reasons ([PA 21-137](#), § 4, effective July 1, 2021).

Tax Incentive Programs

Invest CT Credit Cap

The legislature increased the aggregate cap on Invest CT tax credits by \$200 million, from \$350 million to \$550 million. It retained the program's existing \$40 million annual cap. By law, the credits apply to the insurance premiums and surplus lines brokers tax, and investors qualify for them by investing in eligible businesses through state certified business investment funds (i.e., Invest CT funds) ([PA 21-2](#), JSS, § 428, effective July 1, 2021).

Workers' Compensation

Burial Expenses

This year the legislature increased the workers' compensation benefit for burial expenses from \$4,000 to \$12,000. And starting on January 1, 2022, the benefit must be annually adjusted for inflation ([PA 21-2](#), JSS, § 291, effective upon passage).

Post-Traumatic Stress Injuries

A new law expands eligibility for workers' compensation benefits for post-traumatic stress injuries (PTSI) to cover (1) emergency medical services personnel; (2) all Department of Correction employees; (3) 9-1-1 emergency dispatchers; and (4) under certain circumstances related to COVID-19, health care providers. The PTSI benefits under the new law are subject to the same limitations and procedures that existing law applies to PTSI benefits for firefighters, police, and parole officers ([PA 21-107](#), effective upon passage).

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