

Legislative History for Connecticut Act

PA 15-144

SB983

House	6891-6894	3
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Transcripts from the Joint Standing Committee Public
Hearing(s) and/or Senate and House of Representatives
Proceedings

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2015**

**VOL.58
PART 20
6610 – 6943**

/rc/ks/dm
HOUSE OF REPRESENTATIVES

117
June 1, 2015

Senate Bill 949 as amended by Senate "A" in
concurrence with the Senate

Total Number Voting	145
Necessary for Passage	73
Those voting Yea	145
Those voting Nay	0
Absent and not voting	6

DEPUTY SPEAKER GODFREY:

The bill, as amended, is passed in concurrence
with the Senate. [gavel] Mr. Clerk, 620 please.

CLERK:

On Page 36, House Calendar 620, Favorable
Report of the Joint Standing Committee on Insurance
and Real Estate, Senate Bill 986 - I'm sorry, 983,
AN ACT CONCERNING THE INSURANCE DEPARTMENT'S
FINANCIAL REGULATORY OVERSIGHT OF INSURANCE
COMPANIES.

DEPUTY SPEAKER GODFREY:

Distinguished Chairman of the Insurance and
Real Estate Committee, Representative Megna.

REP. MEGNA (97th):

Thank you, Mr. Speaker. Mr. Speaker, I move
acceptance of the Joint Committee's Favorable

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HOUSE OF REPRESENTATIVES

118
June 1, 2015

Report and passage of the bill in concurrence with
the Senate.

DEPUTY SPEAKER GODFREY:

Question's on acceptance and passage. Will you
explain the bill, sir?

REP. MEGNA (97th):

Thank you, Mr. Speaker. Mr. Speaker, this bill
simply strengthens the Department of Insurance's
ability to do financial regulatory oversight over
the insurers. And it actually adds some
transparency to the process also involving or
disclosing the financial reports to the insurance
companies.

Also it protects those financial reports from
- provides a level of privacy for the insurer so
that those reports are not - kept confidential to
some degree.

The language of the bill, Mr. Speaker, is
really in conformance also with what the National
Association of Insurance Commissioners have come to
agree upon. And with that Mr. Speaker, it's a good
bill and it oughtta pass. Thank you.

DEPUTY SPEAKER GODFREY:

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HOUSE OF REPRESENTATIVES

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June 1, 2015

Thank you, sir. Distinguished ranking member of the Insurance and Real Estate Committee, Representative Sampson.

REP. SAMPSON (80th):

Good evening, Mr. Speaker, and thank you very much. I appreciate the good Chairman's description of the bill. I would add that it also gives some additional authority to the Insurance Commissioner in his duties as the chief regulator of insurance companies and the industry in our state. I've got no objections or reservations to the proposed legislation, Mr. Speaker. Thank you very much.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on the bill? Will you remark further on the bill? If not, staff and guests, please come to the Well of the House. Members, take your seats. The machine will be open. [gavel]

[bell ringing]

CLERK:

The House of Representatives is voting by roll. The House of Representatives is voting by roll. Will members please report to the Chamber immediately.

/rc/ks/dm
HOUSE OF REPRESENTATIVES

120
June 1, 2015

[pause]

DEPUTY SPEAKER GODFREY:

Have all the members voted? If so [laughs] -
If all the members have voted, the machine will be
locked. Clerk will take a tally. [pause]

And the Clerk will announce the tally.

CLERK:

Senate Bill 983 in concurrence with the Senate

Total Number Voting 144

Necessary for Passage 73

Those voting Yea 144

Those voting Nay 0

Absent and not voting 7

DEPUTY SPEAKER GODFREY:

The bill is passed in concurrence with the
Senate. [gavel]

DEPUTY SPEAKER ORANGE:

Will the Clerk please call Calendar No. 638.

CLERK:

House Calendar 638, on Page 38, Favorable
Report of the Joint Standing Committee on General
Law, Senate Bill 111, AN ACT CONCERNING SUSHI RICE.

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2015**

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/kj/dm
SENATE

184
May 20, 2015

SENATOR DUFF:

Calendar Page 51, Calendar 491.

THE CHAIR:

Thank you. It was on the foot.

SENATOR DUFF:

That Bill is 795.

THE CHAIR:

Thank you.

SENATOR DUFF:

Thank you. Okay. I'd like to mark a few items on our Consent Calendar please.

THE CHAIR:

Please proceed, sir.

SENATOR DUFF:

Thank you, Madam President. On Calendar Page 4, Calendar 192, Senate Bill 983, I'd like to place that item on our Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR DUFF:

Thank you, Madam President. On Calendar Page 5, Calendar 195, Senate Bill 1026, I'd like to place that item on our Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR DUFF:

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2015**

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1656 - 1970**

/kj/dm
SENATE

280
May 20, 2015

Thank you, Madam President. If there is no objection, I would move to place this item on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, sir. Mr. Clerk.

CLERK:

I think that's it.

THE CHAIR:

That's it. Senator Duff.

SENATOR DUFF:

Thank you, Madam President. Madam President, I believe that is our last bill of the evening. If the Clerk can please call the items on the Consent Calendar, and then we will have a vote on our Consent Calendar for yesterday and early this morning.

THE CHAIR:

Mr. Clerk.

CLERK:

On Page 2, Calendar 93, Senate Bill 871; Page 2, Calendar 116, Senate Bill 867; Page 3, Calendar 153, Senate Bill No. 907; Page 4, Calendar 192, Senate Bill No. 983; Page 4, Calendar 185, Senate Bill 158; and on Page 5, Calendar 195, Senate Bill 1026; on Page 6, Calendar 248, Senate Bill No. 939.

On Page 7, Calendar 269, Senate Bill 751; also on Page 7, Calendar 272, Senate Bill 1023; and on Page 8, Calendar 312, Senate Bill 573; on Page 13, Calendar 415, Senate Bill 590; Page 34, Calendar 126, Senate Bill 532; Page 35, Calendar 148, Senate Bill 303; and Page 36, Calendar 169, Senate Bill 1005.

On Page 38, Calendar 223, Senate Bill 896; and Page 40, Calendar 301, Senate Bill 186; also on Page 40,

/kj/dm
SENATE

281
May 20, 2015

Calendar 288, Senate Bill 961; and Page 41, Calendar 314, Senate Bill 1061; Page 42, Calendar 328, Senate Bill 1069.

THE CHAIR:

Mr. Clerk, will you please call for a roll call vote on the Consent Calendar.

CLERK:

Immediate roll call has been ordered in the Senate.
Immediate roll call on Consent Calendar No. 1 has been ordered in the Senate.

[pause]

THE CHAIR:

All members have voted. All members have voted. The machine will be closed. Mr. Clerk, will you give us a tally, please.

CLERK:

On Consent Calendar No. 1

Total Number Voting	36
Necessary for Adoption	19
Those voting Yea	36
Those voting Nay	0
Absent/not voting	0

THE CHAIR:

The bill passes. [gavel] Senator - points of personal privilege or announcements. Senator Bartolomeo.

SENATOR BARTOLOMEO:

Yes, thank you, Madam President. I rise for the purpose of an announcement.

THE CHAIR:

Please proceed, ma'am.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**INSURANCE AND
REAL ESTATE
PART 4
1401 – 1727**

2015



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony of the Insurance Department to Insurance and Real Estate Committee

March 3, 2015

Raised S.B. No. 983 AN ACT CONCERNING THE INSURANCE DEPARTMENT'S FINANCIAL REGULATORY OVERSIGHT OF INSURANCE COMPANIES

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Insurance Department thanks the Committee for raising Senate Bill 983: An Act Concerning the Insurance Department's Financial Regulatory Oversight Of Insurance Companies, at the Department's request and appreciates the opportunity to provide written testimony.

This bill modifies various insurance statutes to strengthen the Department's ability to regulate the industry and protect consumers.

The more substantive changes include:

- Amending the financial examination statute to require the Board of Directors of examined companies to receive and review exam reports and provide documentation of that review for their corporate files. (Sec. 1.)
- Amending the financial analysis workpaper confidentiality provisions in section 38a-69a to align to the financial examination (38a-14) and Holding Company (38a-137) confidentiality provisions. This would remove inconsistencies between the confidentiality protections of these financial oversight materials. (Sec. 3.)
- Including health care centers under the Commissioner's authority to order health care center holding companies and affiliates to produce any books, records and other information in the possession of the holding company or affiliates as are reasonably necessary to ascertain the financial condition of the health care center or to determine compliance with Connecticut's insurance holding company system statutes. Although most, if not all, health care centers comply with this requirement, the statutory authority should be explicit. (Sec. 9.)
- Providing the Commissioner discretion to extend the quarterly and annual financial statement filing deadline in section 38a-53 when (1) governor of a company's state of domicile has proclaimed a state of emergency and state of emergency impairs the

company's ability to file the statement, (2) the insurance regulator of the home state of the insurer has authorized a delay for filing requirements, or (3) for a domestic insurance company or health care center, for good cause shown. (Sec. 2.)

- Amending the Credit for Reinsurance statute to align with the NAIC Credit for Reinsurance Model Law relating to which commissioner has principal authority over an assuming insurers trust to permit reductions in trustee assets under the credit for reinsurance statute. (Sec. 4.)
- Amending the Insurance Holding Company Statutes to: (1) add language in section 38a-136(b)(1) concerning review of material transactions to mirror the NAIC Insurance Holding System Regulatory Act with respect to reinsurance agreements and tax allocation agreements which is needed to be in place by January 2016 to satisfy NAIC accreditation requirements; (2) clarify that the Commissioner has the authority determine, after notice and opportunity to be heard, that a person, directly or indirectly, alone or pursuant to a written agreement, arrangement or understanding with one or more other persons, exercises such influence over the management and policies of an insurance company that it is necessary or in the public interest for the protection of the insurer's policyholders that such person or persons be deemed to control such company, notwithstanding the absence of a presumption to that effect; and (3) amend 38a-130(a)(2)(A) concerning prior approval of agreements to acquire control of a domestic insurance company or corporation controlling a domestic insurer, by adding after the word "agreement" the words "arrangement or understanding, whether written or oral". (Sec. 5, 6, 7, 8)

The Department again thanks the Committee for raising this bill and encourages the Committee's support of this initiative. We would be happy to answer any questions you may have.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.

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