

Legislative History for Connecticut Act

PA 15-187

SB907

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Transcripts from the Joint Standing Committee Public
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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2015**

**VOL.58
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7297 - 7630**

The bill passes in concurrence with the Senate.

[gavel] Would the Clerk please call Calendar No. 616.

CLERK:

On Page 33, House Calendar 616, a Favorable Report of the Joint Standing Committee on Insurance and Real Estate, Senate Bill 907 AN ACT CONCERNING CHANGES TO THE INSURANCE STATUTES.

DEPUTY SPEAKER MILLER:

Representative Megna.

REP. MEGNA (97th):

Thank you, Madam Speaker. Madam Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER MILLER:

The question before the Chamber is on acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

Representative Megna, you have the floor, sir.

REP. MEGNA (97th):

Thank you very much, Madam Speaker. Madam Speaker, this is a six-section bill that comes to us from the Department of Insurance. It's got a couple of different odds and ends in it. It's fairly

exciting.

Section 1 establishes January 31st for the end date of a license for an individual selling portable electronics insurance.

Section 2 would allow the Department to revoke, after a process, revoke a license of a producer if they refund a premium and the instrument bounces, so to speak.

The next part of the bill would allow the use of an ORSA report without the written permission of the insurer.

And then the final item in this bill combines an annual TPA report, third party administrative report with the annual licensing to possibly simplify THAT those two processes for the Department of Insurance.

And that is the entire bill, Madam Speaker. I would ask my colleagues to support it, and thank you very much.

DEPUTY SPEAKER MILLER:

Thank you, sir. Will you remark further on this bill? Will you remark further on this bill?

Representative Sampson.

REP. SAMPSON (80th):

Hi there, Madam Speaker. Good evening and thank

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you to the proponent for a description that I think he put it as exciting legislation that is before us.

And I just have a couple of very brief questions. I understand that this bill is separated into four parts and it's largely technical.

I'm just curious to know what the reason is for each one of these changes, so we should start with the first one, which is regarding a license for the sale of portable electronics insurance, and it looks like we're doing something with the dates of licenses being issued, and I'm wondering if the Chairman might fill us in as to why we're making this change, through you, Madam Speaker?

DEPUTY SPEAKER MILLER:

Representative Megna.

REP. MEGNA (97th):

Yes, thank you. That's actually a good question from the Ranking Member. I think it was a few years ago we passed a whole little body of law on portable electronics insurance. There was something floating around here for several years and I suspect that this is maybe a finishing touch to that bill that passed this Chamber several years ago.

Why it's in statute as opposed to a bulletin or

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regulation I don't know, but I think it's just meant to finish up on that bill that passed this Chamber a few years ago establishing a whole section of statute on portable electronics, through you, Madam Speaker.

DEPUTY SPEAKER MILLER:

Representative Sampson.

REP. SAMPSON (80th):

Thank you, Madam Speaker, and thank you to the Chairman for that answer. That clears that up.

I think that the second section is pretty straightforward also. I was trying to understand exactly why we were making the change, but it looks like we're just attempting to make it more explicit that the Insurance Department has the authority to suspend a producer's license if the check that they make for the renewal payment bounces.

It seems to me that's what the law was, but it looks like they've made it a little bit clearer.

I will say that the third piece of the four changes that they're making gives me a tiny bit of pause. I'm not overly concerned with it, but I would like to clear it up with a couple of questions.

Much like another bill we had earlier this morning, here we are faced with NAIC, being National

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Association of Insurance Commissioners yet again, and it looks like this section would create a situation where our Insurance Commissioner may share, upon request, certain documents with NAIC.

So through you, Madam Speaker, I'd like to ask the Chairman if there is a reason why, again, we would be passing legislation to have our Insurance Commissioner give this information to the NAIC, through you, Madam Speaker?

DEPUTY SPEAKER MILLER:

Representative Megna.

REP. MEGNA (97th):

Thank you, Madam Speaker and a good question, and it's funny when we were having that discussion on the earlier bill, this is exactly the section of law that I was kind of referring to where I had personally addressed that with the Department.

And it appears that NAIC does a lot of policy making. It's a cooperative organization with most, if not all of the states, and we believe that, and they believe, that it's important for them to gather this information because a lot of these insurers, they operate in all the different states and nationally, and they feel it's essential in making policy that

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they have that information.

I haven't seen any testimony where there's an objection to that section and doing it without written permission of the insurer, through you, Madam Speaker.

DEPUTY SPEAKER MILLER:

Representative Sampson.

REP. SAMPSON (80th):

Thank you very much, Madam Speaker, and thank you very much to the Chairman as well. Yeah, that was my whole thing is that it looks like we're purposely bracketing out the part that would require the written permission of the insurer, and I just thought that was a little interesting.

But I agree. The public hearing had no testimony from anyone who objected. I'm quite certain being that this is a very publicly known bill that comes out every year, I'm certain that the industry is aware of the changes contained therein.

So if they're not particularly interested or concerned about that section, then I'm not going to trouble myself either.

The last section of the bill is very straightforward. It looks like we're just improving the way the licensing renewal process works for TPAs

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and with that, I will say that again, much like the earlier bill, not something that I'm jumping up and down excited about, but I have no objections to this legislation, and I understand it needs to move forward, and with that, Madam Speaker, thank you for your time.

DEPUTY SPEAKER MILLER:

Thank you, sir. Will you remark further on this bill as amended? Will you remark further on this bill as amended?

If not, would staff and guests please come to the Well of the House. Will the members please take your seats. The machine will be opened.

CLERK:

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

[pause]

DEPUTY SPEAKER MILLER:

Have all members voted? Have all members voted? Would the members please check the board to determine

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if your vote is properly cast.

If all members have voted, the machine will be locked and the Clerk will take a tally.

DEPUTY SPEAKER RYAN:

Will the Clerk please announce the tally.

CLERK:

Senate Bill 907 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

A VOICE: Madam Speaker, is your voice strained?

DEPUTY SPEAKER RYAN:

The bill passes. [gavel] Are there any announcements or introductions? Any announcements or introductions? If not, will the Clerk please call Calendar No. 621.

CLERK:

House Calendar 621 on Page 34, Favorable Report of the Joint Standing Committee on Judiciary, Substitute Senate Bill 1005 AN ACT PROTECTING ELDERLY CONSUMERS FROM EXPLOITATION AND ADOPTING THE CONNECTICUT UNIFORM POWER OF ATTORNEY ACT.

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GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
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**VOL. 58
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SENATE

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May 20, 2015

THE CHAIR:

Opposed? Senate "A" passes. Will you remark further on the bill? Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. Madam President, this, as stated by its title, various revisions to the Health Insurance Statutes. Just because of time of the morning, I'll just summarize. Its real key consumer protection provided by this bill is that it prohibits the use of pre-existing condition limitations to all insurers for health insurance, which is extremely important. The bill revises the duties of the Health Reinsurance Association, the high risk pool in Connecticut that was created in statute. The bill also revises the duties of the Connecticut Small Employer Health Reinsurance Pool that was also created in statute. And the bill provides the Insurance Department the authority to approve or disapprove small employer rates offered by indemnity insurance carriers.

THE CHAIR:

Will you remark further on the bill? Will you remark further on the bill? If not, Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. If there's no objection, I request it be placed on the Consent Calendar.

THE CHAIR:

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

CLERK:

On Page 3, Calendar 153, Senate Bill No. 907, AN ACT CONCERNING CHANGES TO THE INSURANCE STATUTES, Favorable Report of the Committee on Insurance and Real Estate. Amendments.

THE CHAIR:

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SENATE

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May 20, 2015

Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. Madam President, I move for acceptance of the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

The motion's on acceptance and passage. Will you remark, sir?

SENATOR CRISCO:

Yes, Madam President. There are six sections that are all impacted by this legislation. Section 1 basically amends Public Act 14-64. It would simply provide that any license issued by the Commissioner to a seller of portable electronics insurance would expire on January 31 of every even-numbered year rather than two years after the license is issued, as the statute currently reads.

On Section 2, it updates the Section 38a-712 of the Connecticut General Statutes.

Under Section 3, it makes various changes of different statutes in our State Statutes.

And Section 4, 5, and 6 combine the third-party administrator TPA requirement of an annual report with the TPA annual application renewal equipment - requirement. If passed, Senate Bill 907 will promote administrative efficiencies for the Department and afford a less burdensome regulatory for TPAs.

THE CHAIR:

Will you remark on the bill? Will you remark on the bill? Seeing none, Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. If there's no objection, I request this be placed on the Consent Calendar.

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SENATE

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May 20, 2015

THE CHAIR:

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

CLERK:

On Page 42, Calendar 328, Substitute for Senate Bill No. 1069, AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN HARTFORD COUNTY AND EXTENDING THE MATURITY DATE FOR MUNICIPAL SEWERAGE SYSTEM BONDS, as amended by Senate Amendment Schedule "A," Favorable Report of the Committee on Planning and Development.

THE CHAIR:

Senator Osten.

SENATOR OSTEN:

Good morning, Madam President.

THE CHAIR:

Good morning.

SENATOR OSTEN:

Madam President, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

The motion's on acceptance and passage. Will you remark?

SENATOR OSTEN:

Madam President, this bill is previously amended and returned back from Finance. It increases from 30 to 40 years the maximum term of certain municipal sewer bonds. It applies to sewer bonds that are secured by general obligation bonds but not those secured by revenue bonds. Under the bill, sewer revenue bonds continued to be subjected to a term of up to 30 years. The bill also makes several changes to the

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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,

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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 3
965 – 1400**

2015



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Connecticut Insurance Department

Testimony Before the

Insurance and Real Estate Committee

February 26, 2015

Raised Bill No. 907—An Act Concerning Changes to the Insurance Statutes

Senator Crisco, Representative Megna, Ranking Members, and Members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to offer written testimony in support of Senate Bill 907 - An Act Concerning Changes to the Insurance Statutes. Thank you for raising this bill at the Department's request.

Section 1 of this bill would make a minor change to section 38a-397 of the Connecticut General Statutes which was enacted last year (Public Act 14-64). It would simply provide that any license issued by the Commissioner to a seller of portable electronics insurance would expire on January 31 of every even numbered year. This section will provide for administrative efficiencies by streamlining the expiration of portable electronic insurance licenses.

Section 2 of this bill would modernize section 38a-712 of the Connecticut General Statutes. Currently, the Commissioner has the authority to suspend a license of a producer if such producer submits a check that is subsequently dishonored (bounced). SB 907 would allow the Commissioner to suspend a license for any type of dishonored payment whether it be a dishonored check, electronic payment or otherwise.

Section 3 of this bill would make a minor change to section 38a-142 of the Connecticut General Statutes which was enacted last year (Public Act 14-107). This statute provides requirements for maintaining a risk management framework and provides guidance to insurers or insurance groups relating to the filing of Own Risk and Solvency Assessment (ORSA) summary reports to the Insurance Commissioner. SB 907 will amend section 38a-142(i) which requires written permission from carriers before the Commissioner can share the ORSA report with other regulators. This was an unintended deviation from the National Association of Insurance Commissioners (NAIC) Model Act which does not require written permission for regulator to regulator communication. With the change provided by SB 907, section 38a-142 will conform to the NAIC accreditation standard which the Department anticipates will be required to be in place by year end 2017 in order for the Department to maintain NAIC accreditation.

Section 4, 5 and 6 of this bill will combine the Third Party Administrator (TPA) requirement of an annual report with the TPA annual application renewal requirement. If passed, SB 907 will promote administrative efficiencies for the Department and afford a less burdensome regulatory process for TPAs.

The Department thanks the Insurance Committee Chairs and members for the opportunity to submit testimony on S.B. 907 and urges its passage.

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.