



Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

SB 1044, An Act Establishing a Task Force to Study Insurance and Health Care in this State

March 18, 2021

I am Eric George, President of the Insurance Association of Connecticut (IAC). The IAC is a state-based trade association that represents Connecticut's property and casualty insurance industry and Connecticut's life insurance and financial security industries. Among other insurance-related products, IAC members offer (i) home insurance, (ii) auto insurance, (iii) workers' compensation insurance, (iv) liability insurance, (v) group benefits, (vi) life insurance, (vii) annuities, (viii) retirement plans, (ix) long-term care insurance, (x) disability income insurance, and (xi) reinsurance.

The IAC opposes and questions the need for SB 1044.

SB 1044 would create a taskforce to study insurance in Connecticut. It is unclear what the purpose of this bill is and what the issue is that it seeks to address.

The insurance industry is one of the most highly regulated industries in the entire state of Connecticut and the country. Insurance companies are under intense scrutiny by their regulator, the Connecticut Department of Insurance (CTDOI). Companies are subject to reviews and market conduct examinations. In general, premiums and rates must be filed and approved by the CTDOI before they are effective. And the CTDOI is well staffed and well positioned to conduct these examinations and regulate this industry.

Therefore, it is unclear what SB 1044 would do.

It is important to note that there are no delineated criteria for any of the members of the task force envisioned by SB 1044. SB 1044 would not require that any of these task force members be versant in insurance or have any knowledge of insurance whatsoever. In theory, the task force could be comprised of individuals who have little to no experience with the insurance industry making determinations as to how the industry is functioning in the state without any qualifications to do so.

Given the intense regulation and scrutiny that the insurance industry currently undergoes through the CTDOI, and the lack of clarity as to just what SB 1044 would actually do, we ask that you oppose SB 1044.

Thank you for considering the comments of the IAC on SB 1044.