
OLR Bill Analysis

sHB 6858

AN ACT ESTABLISHING A TASK FORCE TO STUDY METHODS TO ENCOURAGE INSURERS TO DEVELOP TECHNOLOGIES TO PREVENT TEXTING WHILE DRIVING AND CONCERNING FINANCIAL PLANNERS.

SUMMARY

This bill includes provisions on two unrelated insurance topics.

It requires a financial planner doing business in Connecticut to disclose to a Connecticut consumer, if requested, whether he or she has a fiduciary duty to the consumer for each insurance recommendation the financial planner makes. A “fiduciary duty” is the duty to act with prudence and undivided loyalty in the consumer’s best interests. The bill makes violating this disclosure requirement an unfair or deceptive act or practice in the business of insurance (i.e., Connecticut Unfair Insurance Practices Act (CUIPA) violation) (see BACKGROUND).

Additionally, the bill establishes an eight-member task force to study ways to encourage insurers to develop technologies to prevent texting while driving. The task force must submit a report with its findings and recommendations to the Insurance and Real Estate Committee by February 1, 2024. It terminates when it submits its report or February 1, 2024, whichever is later.

EFFECTIVE DATE: October 1, 2023, except the task force provisions are effective upon passage.

TASK FORCE

The bill creates a task force to study ways to encourage insurers to develop technologies to prevent texting while driving. Under the bill, the task force consists of the following eight members, any of whom may be legislators:

1. two appointed by each of the House speaker and Senate president pro tempore and
2. one appointed by each of the House and Senate majority and minority leaders.

The bill requires the appointing authorities to make their appointments within 30 days after the bill's passage and fill any vacancies.

It requires the House speaker and Senate president pro tempore to select chairpersons from among the task force members. The chairpersons must schedule and hold the task force's first meeting within 60 days after the bill's passage.

Under the bill, the Insurance and Real Estate Committee's administrative staff serve as the task force's staff.

BACKGROUND

Legislative History

The House referred the bill (File 371) to the Transportation Committee, which reported a substitute that eliminates provisions prohibiting rental car companies from collecting loss of use damages from a customer or the customer's insurer.

Connecticut Unfair Insurance Practices Act

CUIPA prohibits engaging in unfair or deceptive acts or practices in the business of insurance. It authorizes the insurance commissioner to conduct investigations and hearings, issue cease and desist orders, impose fines, revoke or suspend licenses, and order restitution for per se violations (i.e., violations specifically listed in statute). The law also allows the commissioner to ask the attorney general to seek injunctive relief in Superior Court if he believes someone is engaging in other unfair or deceptive acts not specifically defined in statute.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if the violation was knowingly committed. The law also imposes a fine

of up to \$50,000, in addition to or in lieu of a license suspension or revocation, for violating a cease and desist order (CGS §§ 38a-815 to -819).

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 8 Nay 4 (03/16/2023)

Transportation Committee

Joint Favorable Substitute

Yea 36 Nay 0 (04/19/2023)