

OFFICE OF FISCAL ANALYSIS

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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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Insurance Dept.	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill includes various provisions regarding insurance which result in the impacts discussed by section below.

Section 1 establishes a task force to study methods to encourage insurers to develop technologies to prevent texting while driving, resulting in no fiscal impact to the state because the task force has the expertise to meet the requirements of the bill.

Sections 2-4 result in a potential minimal revenue gain to the General Fund starting in FY 24, to the extent additional fines or penalties are assessed for violations of the Connecticut Unfair Insurance Practices Act (CUIPA).

The bill requires a financial planner to disclose, if requested, whether he or she has a fiduciary duty to the consumer for each insurance recommendation the financial planner makes. Failure to do so, under the bill, is a violation of CUIPA. CUIPA fines can range from \$5,000 per

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violation up to a maximum of \$250,000 in aggregate penalties per insurer in any six-month period.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number and type of violations that occur.