

# Insurance and Real Estate Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-6858

AN ACT ESTABLISHING A TASK FORCE TO STUDY METHODS TO ENCOURAGE INSURERS TO DEVELOP TECHNOLOGIES TO PREVENT TEXTING WHILE DRIVING, CONCERNING FINANCIAL PLANNERS AND REQUIRING A STUDY CONCERNING THE BANNING OF LOSS OF USE

**Title:** DAMAGES FOR RENTAL CAR COMPANIES.

**Vote Date:** 3/16/2023

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/9/2023

**File No.:**

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### **SPONSORS OF BILL:**

The Insurance and Real Estate Committee

### **REASONS FOR BILL:**

The first provision of this bill seeks to reduce incidents stemming from distracted driving. It establishes a task force to study methods to encourage insurers to develop technology to prevent texting while driving.

The next provision addresses unfair and deceptive practices of financial planners. It requires financial planners to disclose if they have a fiduciary duty to their clients when making insurance recommendations. Failure to abide by this law would subject the planner to the current statutes' punitive measures for anticompetitive or deceptive actions.

The final provisions regard rental car insurance. Currently, a rental car company can acquire insurance for any damage or loss that prevents a vehicle from being used any further. This (additional) insurance is separate from the typical damage/collision coverage extended to renters. Therefore, a rental car company can collect 2 payments- both intended to repair or replace the vehicle- for the same incident.

### **SUBSTITUTE LANGUAGE:**

Removed Section 5 of the bill, which set up a placeholder study regarding loss of use damages for purposes of the bill's public hearing. The new Sections 5-7 prohibit rental car companies from collecting loss of use damages from customers and insurers of customers.

**RESPONSE FROM ADMINISTRATION/AGENCY:**

None Expressed

**NATURE AND SOURCES OF SUPPORT:**

**Financial Planning Association of Connecticut, President, Sam Boutagy**: supports this bill because it would require financial planners to disclose any fiduciary duties and includes penalties for those engaging in unfair insurance practices. He believes that this legislation is "very helpful to consumers and their families" who deserve "fair an honest advice" to guide their financial decisions.

**NATURE AND SOURCES OF OPPOSITION:**

None Expressed

**Reported by: Sean Chilson**

**Date: 3/30/2023**