



General Assembly

January Session, 2023

Raised Bill No. 6858

LCO No. 5247



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

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 DAMAGES FOR RENTAL CAR COMPANIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (*Effective from passage*) (a) There is established a task force
2 to study methods to encourage insurers to develop technologies to
3 prevent texting while driving.
- 4 (b) The task force shall consist of the following members:
- 5 (1) Two appointed by the speaker of the House of Representatives;
- 6 (2) Two appointed by the president pro tempore of the Senate;
- 7 (3) One appointed by the majority leader of the House of
8 Representatives;
- 9 (4) One appointed by the majority leader of the Senate;
- 10 (5) One appointed by the minority leader of the House of
11 Representatives; and

12 (6) One appointed by the minority leader of the Senate.

13 (c) Any member of the task force appointed under subdivision (1),
14 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
15 of the General Assembly.

16 (d) All initial appointments to the task force shall be made not later
17 than thirty days after the effective date of this section. Any vacancy shall
18 be filled by the appointing authority.

19 (e) The speaker of the House of Representatives and the president pro
20 tempore of the Senate shall select the chairpersons of the task force from
21 among the members of the task force. Such chairpersons shall schedule
22 the first meeting of the task force, which shall be held not later than sixty
23 days after the effective date of this section.

24 (f) The administrative staff of the joint standing committee of the
25 General Assembly having cognizance of matters relating to insurance
26 shall serve as administrative staff of the task force.

27 (g) Not later than February 1, 2024, the task force shall submit a report
28 on its findings and recommendations to the joint standing committee of
29 the General Assembly having cognizance of matters relating to
30 insurance, in accordance with the provisions of section 11-4a of the
31 general statutes. The task force shall terminate on the date that it
32 submits such report or February 1, 2024, whichever is later.

33 Sec. 2. Section 38a-1 of the general statutes is repealed and the
34 following is substituted in lieu thereof (*Effective October 1, 2023*):

35 Terms used in this title and section 3 of this act, unless it appears from
36 the context to the contrary, shall have a scope and meaning as set forth
37 in this section.

38 (1) "Affiliate" or "affiliated" means a person that directly, or indirectly
39 through one or more intermediaries, controls, is controlled by or is
40 under common control with another person.

41 (2) "Alien insurer" means any insurer that has been chartered by or
42 organized or constituted within or under the laws of any jurisdiction or
43 country without the United States.

44 (3) "Annuities" means all agreements to make periodical payments
45 where the making or continuance of all or some of the series of the
46 payments, or the amount of the payment, is dependent upon the
47 continuance of human life or is for a specified term of years. This
48 definition does not apply to payments made under a policy of life
49 insurance.

50 (4) "Commissioner" means the Insurance Commissioner.

51 (5) "Control", "controlled by" or "under common control with" means
52 the possession, direct or indirect, of the power to direct or cause the
53 direction of the management and policies of a person, whether through
54 the ownership of voting securities, by contract other than a commercial
55 contract for goods or nonmanagement services, or otherwise, unless the
56 power is the result of an official position with the person.

57 (6) "Domestic insurer" means any insurer that has been chartered by,
58 incorporated, organized or constituted within or under the laws of this
59 state.

60 (7) "Domestic surplus lines insurer" means any domestic insurer that
61 has been authorized by the commissioner to write surplus lines
62 insurance.

63 (8) "Foreign country" means any jurisdiction not in any state, district
64 or territory of the United States.

65 (9) "Foreign insurer" means any insurer that has been chartered by or
66 organized or constituted within or under the laws of another state or a
67 territory of the United States.

68 (10) "Insolvency" or "insolvent" means, for any insurer, that it is
69 unable to pay its obligations when they are due, or when its admitted
70 assets do not exceed its liabilities plus the greater of: (A) Capital and

71 surplus required by law for its organization and continued operation;
72 or (B) the total par or stated value of its authorized and issued capital
73 stock. For purposes of this subdivision "liabilities" shall include but not
74 be limited to reserves required by statute or by regulations adopted by
75 the commissioner in accordance with the provisions of chapter 54 or
76 specific requirements imposed by the commissioner upon a subject
77 company at the time of admission or subsequent thereto.

78 (11) "Insurance" means any agreement to pay a sum of money,
79 provide services or any other thing of value on the happening of a
80 particular event or contingency or to provide indemnity for loss in
81 respect to a specified subject by specified perils in return for a
82 consideration. In any contract of insurance, an insured shall have an
83 interest which is subject to a risk of loss through destruction or
84 impairment of that interest, which risk is assumed by the insurer and
85 such assumption shall be part of a general scheme to distribute losses
86 among a large group of persons bearing similar risks in return for a
87 ratable contribution or other consideration.

88 (12) "Insurer" or "insurance company" includes any person or
89 combination of persons doing any kind or form of insurance business
90 other than a fraternal benefit society, and shall include a receiver of any
91 insurer when the context reasonably permits.

92 (13) "Insured" means a person to whom or for whose benefit an
93 insurer makes a promise in an insurance policy. The term includes
94 policyholders, subscribers, members and beneficiaries. This definition
95 applies only to the provisions of this title and does not define the
96 meaning of this word as used in insurance policies or certificates.

97 (14) "Life insurance" means insurance on human lives and insurances
98 pertaining to or connected with human life. The business of life
99 insurance includes granting endowment benefits, granting additional
100 benefits in the event of death by accident or accidental means, granting
101 additional benefits in the event of the total and permanent disability of
102 the insured, and providing optional methods of settlement of proceeds.

103 Life insurance includes burial contracts to the extent provided by
104 section 38a-464.

105 (15) "Mutual insurer" means any insurer without capital stock, the
106 managing directors or officers of which are elected by its members.

107 (16) "Person" means an individual, a corporation, a partnership, a
108 limited liability company, an association, a joint stock company, a
109 business trust, an unincorporated organization or other legal entity.

110 (17) "Policy" means any document, including attached endorsements
111 and riders, purporting to be an enforceable contract, which
112 memorializes in writing some or all of the terms of an insurance
113 contract.

114 (18) "State" means any state, district, or territory of the United States.

115 (19) "Subsidiary" of a specified person means an affiliate controlled
116 by the person directly, or indirectly through one or more intermediaries.

117 (20) "Unauthorized insurer" or "nonadmitted insurer" means an
118 insurer that has not been granted a certificate of authority by the
119 commissioner to transact the business of insurance in this state or an
120 insurer transacting business not authorized by a valid certificate.

121 (21) "United States" means the United States of America, its territories
122 and possessions, the Commonwealth of Puerto Rico and the District of
123 Columbia.

124 Sec. 3. (NEW) (*Effective October 1, 2023*) (a) For the purposes of this
125 section:

126 (1) "Fiduciary duty" has the same meaning as provided in section 36a-
127 860 of the general statutes; and

128 (2) "Financial planner" has the same meaning as provided in section
129 36a-860 of the general statutes.

130 (b) Any financial planner doing business in this state shall disclose to

131 a consumer in this state, upon request, whether or not such financial
132 planner has a fiduciary duty to such consumer for each
133 recommendation that such financial planner makes to such consumer
134 regarding insurance.

135 (c) Any violation of this section shall be deemed an unfair method of
136 competition and unfair and deceptive act or practice in the business of
137 insurance under section 38a-816 of the general statutes, as amended by
138 this act.

139 Sec. 4. Section 38a-816 of the general statutes is amended by adding
140 subdivision (27) as follows (*Effective October 1, 2023*):

141 (NEW) (27) Any violation of section 3 of this act.

142 Sec. 5. (*Effective from passage*) (a) The Insurance Commissioner shall
143 conduct a study concerning the banning of loss of use damages for
144 rental car companies in this state.

145 (b) Not later than February 1, 2024, the commissioner shall submit a
146 report, in accordance with the provisions of section 11-4a of the general
147 statutes, on the results of such study conducted under subsection (a) of
148 this section to the joint standing committee of the General Assembly
149 having cognizance of matters relating to insurance.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2023</i>	38a-1
Sec. 3	<i>October 1, 2023</i>	New section
Sec. 4	<i>October 1, 2023</i>	38a-816(27)
Sec. 5	<i>from passage</i>	New section

Statement of Purpose:

To: (1) Establish a task force to study methods to encourage insurers to develop technologies to prevent texting while driving; (2) require financial planners doing business in this state to disclose to consumers in this state, upon request, whether or not such financial planner has a

fiduciary duty to such consumer for each recommendation that such financial planner makes to such consumer regarding insurance; and (3) require the Insurance Commissioner to conduct a study concerning the banning of loss of use damages for rental car companies in this state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]