Insurance and Real Estate Committee
JOINT FAVORABLE REPORT

Bill No.: HB-6437
Title: AN ACT CONCERNING INSURANCE MARKET CONDUCT AND LICENSING.
Vote Date: 2/20/2025
Vote Action: Joint Favorable
PH Date: 1/28/2025
File No.: 64

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

This legislature allows for service of process and notice of suspension or revocation of licenses to be electronically delivered. Removes the requirement for insurers to conduct at minimum one on site audit. Mandates insurers to report termination of an agent within thirty days of the termination. Lastly, the elimination of the requirement for insurers to report investigations of automobile fraud.

This is proposed to modernize and improve efficiency within the insurance operations.

RESPONSE FROM ADMINISTRATION/AGENCY:

Insurance Department, Commissioner, Andrew Mais supports this bill stating the cost savings, and effectiveness of sending legal notices electronically and preforming remote audits. Also, setting time limits for insurers to report to the Commissioner terminations for cause of contracts will increase efficiency within the Department. This will allow quicker investigation, response and results for a licensee's misconduct. Lastly, the elimination of the requirement for insurers to file an annual report with the Commissioner regarding investigations of automobile fraud. Since this information is currently accessible to the Department and others by the National Insurance Crime Bureau. It is redundant and captures information relating criminal activities the Department does not have the jurisdiction to address.

NATURE AND SOURCES OF SUPPORT:

IAC, President, Eric George and ACLI, Vice President, Jill Rickard are in support of this bill and completely virtual audits. Citing that there is a high prevalence of the hybrid work schedule, many TPAs no longer have a permanent office space to conduct the audits in person. Also, virtual audits have been proved to be quicker and more thorough due to the success seen from the audits that were conducted during the COVID-19 pandemic. Insurers should have the discretion to decide what is more effective for them and support this bill giving the flexibility to do so.

APCIA, Vice President, Kristina Baldwin supports this bill yet proposes an amendment for the opportunity to opt out of the receiving process by email. Due to the legal consequences if not properly delivered.

NATURE AND SOURCES OF OPPOSITION:

Ting-Yu Lin opposes this bill.

Reported by: Nicole Chambrello **Date: 02/26/2025**