

INSURANCE & REAL ESTATE COMMITTEE

LEGISLATIVE REPORT



2009 SESSION

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LETTER FROM THE CHAIRMEN

Dear Friends,

We are extremely proud of the Insurance and Real Estate Committee's accomplishments during the 2009 General Assembly session. We believe that the committee's work touches lives of all children, adults, seniors, businesses, employers, and employees in our state. Our public hearing and committee process, which we endeavored to conduct in as fair, open, thorough, and collaborative a manner as possible, confirmed how crucial our work is or can be to the quality of life in Connecticut.

This report outlines the many successes and actions of the committee this year, particularly in the area of health insurance, which we would not have achieved without the significant team effort behind it. As Committee Chairmen, we wish to thank our tremendously dedicated and capable staff, our ranking members and other colleagues on the committee, the rest of the General Assembly, members of the Executive Branch (including the Insurance Commissioner and his staff), and our Legislative Leaders, for their cooperation and support for the committee's work.

While we did not succeed in enacting all of our legislative objectives for the session, we take pride in our efforts to work with the regulated community, the Insurance Department, and various advocates to reach a bipartisan consensus on many important issues. Our goal remains to work with all relevant stakeholders to produce legislation that enhances the quality of life for the people of Connecticut. We believe that we did just that this past session, and we look forward to building upon these accomplishments and working with all of you next session.

Best regards,



JOE
Sen. Joseph J. Crisco, Jr.
Co-Chair



STEVE
Rep. Steve Fontana
Co-Chair

Members of the Insurance & Real Estate Committee

Sen. Joseph J. Crisco, Jr
Chairman

Sen. Joan Hartley
Vice Chairman

Sen. Sam S.F. Caligiuri
Ranking

Rep. Catherine Abercrombie
Member

Rep. Mike Alberts
Member

Rep. David Aldarondo
Member

Rep. Emil Altobello
Member

Rep. Penny Bacchiochi
Member

Rep. Steve Dargan
Member

Rep. John C. Geragosian
Member

Rep Steve Fontana
Chairman

Rep. Robert W. Megna
Vice Chairman

Rep. Tony D'Amelio
Ranking

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Member

Rep. Brian O'Connor
Member

Rep. Kelvin Roldan
Member

Rep. Linda Schofield
Member

Rep. Sean Williams
Member

Rep. Chris Wright
Member

Staff

Diane Kubeck
Clerk

Kumi Sato
LCO Attorney

Janet Kaminski Leduc
OLR Researcher

Summary of Accomplishments



PA 09-179 (HB-5018) AAC REVIEWS OF HEALTH INSURANCE BENEFITS MANDATED IN THIS STATE. Establishes a health benefit review program within the Insurance Department to evaluate the social and financial impacts of mandated health benefits.

PA 09-123 (HB-5019) AA PROHIBITING THE USE OF CERTAIN PRESCRIPTION DRUG HISTORY AS AN UNDERWRITING TOOL TO DENY INDIVIDUAL HEALTH INSURANCE COVERAGE. Prohibits insurers in the individual market from using a person's history of taking a prescription drug for anxiety for six months or less as an underwriting factor, unless the prescription use arises directly from an underlying medical diagnosis.

PA 09-51 (HB-5023) AA REQUIRING HEALTH INSURANCE COVERAGE FOR WOUND CARE FOR INDIVIDUALS WITH EPIDERMOLYSIS BULLOSA. Requires health insurance policies to cover wound care supplies that are medically necessary to treat epidermolysis bullosa and administered under a physician's direction.

PA 09-124 (HB-5433) AA CLARIFYING HEALTH INSURANCE COVERAGE FOR STEPCHILDREN. Requires health insurance policies to cover stepchildren on the same basis as biological children.

PA 09-88 (HB-5519) AAC WORKERS' COMPENSATION PREMIUMS AND VOLUNTEER AMBULANCE COMPANIES. Requires workers' compensation premiums for volunteer staff of municipal or volunteer ambulance services to be based primarily on ambulance usage.

PA 09-126 (HB-5669) AAC EMPLOYER HEALTH INSURANCE PREMIUM PAYMENTS FOR TERMINATED EMPLOYEES. Allows an employer to stop paying group health insurance premiums for an employee and his or her dependents as of 72 hours after the employee quits or is terminated for any reason other than a layoff.

PA 09-127 (HB-6114) AAC DISCLOSURE OF HISTORIC DISTRICT DESIGNATIONS AND LEASED ITEMS TO PROSPECTIVE PURCHASERS OF RESIDENTIAL PROPERTY. Requires the consumer protection commissioner to set forth the current residential property condition report form in regulations. The act requires the report to include information about any leased items on the premises and if the property is in an historic zone.

PA 09-216 (HB-6279) AAC ACCELERATED BENEFITS OF LIFE INSURANCE POLICIES. Expands the benefits available under a life insurance policy's accelerated death benefits option by revising what constitutes a "qualifying event". It also allows lump sum or periodic payments of accelerated benefits due to confinement.

PA 09-217 (HB-6280) AA EXTENDING THE SUNSET DATE FOR PERSONAL RISK INSURANCE RATE FILINGS. Extends the sunset date for the "flex rating" law for personal risk insurance two years to July 1, 2011.

PA 09-24 (HB-6356) AA AMENDING THE EXTENDED WARRANTY STATUTES. Requires an extended warranty insurer to meet certain financial and reporting requirements when filing a policy form with the insurance commissioner and thereafter.

PA 09-164 (HB-6447) AA MITIGATING FIRE LOSSES FOR HOMEOWNERS AND BUSINESS OWNERS. Makes changes to the standard fire insurance policy. It requires insurers to pay claims within 30 days, extends the statute of limitations to 18 months, and allows insurers to make partial claim payment before final claim adjudication.

PA 09-134 (HB-6448) AAC DISCLOSURE OF INSURANCE REQUIREMENTS IN EQUIPMENT LEASES. Expands disclosure requirements under the Uniform Consumer Leases Act about any insurance a lease agreement may require.

PA 09-222 (HB-6642) AAC SOLICITATION OF CLIENTS, PATIENTS OR CUSTOMERS. Makes it illegal for anyone to act as a "runner" by knowingly, and for financial gain, procuring a patient, client, or customer for providers of legal or health care services.

PA 09-046 (SB-46) AAC THE CONSUMER REPORT CARD. Requires the insurance commissioner to include in the annual health insurance consumer report card the medical loss ratio of each insurer and HMO included in the report. Each health insurer or HMO must disclose its medical loss ratio, as reported in the most recent consumer report card, in writing to a person when he or she applies for coverage.

PA 09-204 (SB-47) AAC CONTRACTS BETWEEN HEALTH CARE PROVIDERS AND CONTRACTING HEALTH ORGANIZATIONS. Requires a contracting health organization to provide each contracted health care provider electronic access to the organization's fee schedule for the service codes applicable to or requested by the provider. The act limits an organization's ability to make material changes to a provider's fee schedule or request the return of payment for a service paid for in error.

PA 09-98 (SB-212) AA LIMITING CANCELLATION FEES FOR AUTOMOBILE INSURANCE POLICYHOLDERS WHO CANCEL THEIR POLICIES MID-TERM. Prohibits an auto insurer that reviews, amends, or endorses a policy in Connecticut from charging an insured more than \$100 for canceling the policy before the policy term ends.

PA 09-115 (SB-301) AAC HEALTH INSURANCE COVERAGE FOR AUTISM SPECTRUM DISORDERS. Broadens what a group health insurance policy must cover concerning autism spectrum disorders. It requires a policy to cover the diagnosis and treatment of these disorders, including (1) behavioral therapy for a child age 14 or younger and (2) certain prescription drugs and psychiatric and psychological services.

PA 09-237 (SB-457) AAC MOTOR VEHICLE REPAIRS. Prohibits an auto insurer, and its agents and adjusters, from (1) requiring an insured to use a specific repair shop to perform auto repairs or (2) stating that repair work will be delayed or not guaranteed if the insured has repairs performed at a motor vehicle repair shop that is one which is not participating in the insurer's vehicle repair program.

PA 09-41 (SB-458) AA REQUIRING COMMUNICATION OF MAMMOGRAPHIC BREAST DENSITY INFORMATION TO PATIENTS. Requires that all mammography reports given to a patient to include information about breast density using specific language.

PA 09-48 (SB-764) AAC DERIVATIVE FINANCIAL TRANSACTION CONTROLS. Allows a U.S. insurer doing business in Connecticut to enter into derivative financial transactions as long as it is prudent given the company's business and diversification considerations. The act requires such an insurer to include in its audited financial report a statement from an independent certified public accountant auditor that assesses the insurer's internal controls relative to the transactions.

PA 09-104 (SB-778) AAC EVIDENCE OF WORKERS' COMPENSATION INSURANCE FOR CONTRACTORS ON PUBLIC WORKS PROJECTS. Allows Department of Consumer Protection license and permit applicants to prove they comply with workers' compensation insurance coverage requirements by providing the insurer's name, policy number, and coverage effective dates.

PA 09-240 (SB-894) AA REQUIRING DISCLOSURE OF AUTOMOBILE LIABILITY INSURANCE POLICY LIMITS PRIOR TO THE FILING OF A CLAIM. Requires an auto insurer to disclose the limits applicable under a policy it issues within 30 days after receiving a written request for disclosure that was made by, or on behalf of, a person alleging bodily injury or death resulting from a motor vehicle collision involving a person covered by the policy.

PA 09-72 (SB-895) AAC NOTIFICATION OF UNDERINSURANCE MOTORIST CONVERSION COVERAGE AND THE RECOVERY OF COLLISION DEDUCTIBLE IN A SUBROGATION ACTION. Requires an auto insurer issuing a new policy to provide the insured, at the time of policy sale or issuance, with information about underinsured motorist conversion coverage. Under the act, an auto insurer that subrogates a claim must seek to recover any collision deductible the insured paid, unless the insured asks the insurer not to include it in the demand, and share any related recoveries proportionately with the insured.

PA 09-156 (SB-897) AAC TIME SHARES. Requires the managing entity for a time share property to use due diligence to obtain, as a common expense of the time share plan, adequate liability and casualty insurance. It also requires that a copy of each insurance policy in effect be made available for reasonable inspection by purchasers and their authorized agents.

PA 09-49 (SB-959) AAC EXTERNAL APPEALS OF ADVERSE DETERMINATIONS BY A MANAGED CARE ORGANIZATION, HEALTH INSURER OR UTILIZATION REVIEW COMPANY. Permits an enrollee or provider to ask the insurance commissioner for an expedited external appeal before exhausting an insurance or utilization review company's internal appeal process if he or she has filed a request for an expedited internal review and the time to complete it could cause, or exacerbate, an emergency or life-threatening situation.

PA 09-74 (SB-960) AAC THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL REVISIONS TO THE INSURANCE STATUTES. Makes technical changes in various insurance statutes.

PA 09-201 (SB-1031) AAC MURDER AND INHERITANCE. Expands the circumstances under which a person cannot inherit, receive part of the estate, or receive life insurance or annuity benefits from someone for whose death he or she was responsible.

PA 09-206 (SB-1048) AAC HEALTH CARE COST CONTROL INITIATIVES. Prohibits hospitals and outpatient surgical facilities from seeking payment for any increased costs they incur as a direct result of a hospital-acquired condition Medicare identifies as nonpayable according to a federal law.



Insurance Acts Vetoed By the Governor

PA 09-188 (HB-5021 as amended by House "A") AAC WELLNESS PROGRAMS AND EXPANSION OF HEALTH INSURANCE COVERAGE. Requires group health insurers to offer health wellness programs that provide insured people participation incentives, requires health insurance policies to cover certain prosthetic devices and bone marrow testing, and prohibits insurers from charging for a subsequent colonoscopy that a physician orders in a policy year. It also increases the annual ostomy appliances and supplies benefit from \$1,000 to \$5,000; requires coverage of hearing aids for children under age 19, up from age 13; requires coverage of at least \$350 annually for wigs for a person diagnosed with alopecia areata, excluding androgenetic alopecia, and broadens the applicability of several other health insurance benefits.

PA 09-135 (HB-6531 as amended by House "A") AA CLARIFYING POSTCLAIMS UNDERWRITING. Limits a health insurer's or HMO's investigation of a claimant's suspected undisclosed preexisting condition and makes an insurance producer who helps to complete an insurance application and the insured person who signs the application or does not object to information submitted on, with, or omitted from it, jointly and severally liable for claims that result from any information the producers knowingly omitted or misrepresented. It limits the requirement that an insurer or HMO, before seeking to rescind, cancel, or limit a person's coverage, have conducted a thorough medical underwriting process when a person had submitted his or her insurance application to instances when a person's coverage has been in effect for at least one year. It also establishes certain disclosure, records, and rescission requirements for an insurer or HMO that accepts coverage applications for individual health insurance coverage over the telephone.

PA 09-147 (HB-6582 as amended by House "A") AA ESTABLISHING THE CONNECTICUT HEALTH CARE PARTNERSHIP. Requires the comptroller to convert the state employee health insurance plan, excluding dental, to a self-insured arrangement for benefit periods beginning July 1, 2009. She must then offer employee and retiree coverage under the self-insured state plan to (1) municipalities and other nonstate public employers beginning July 1, 2010; (2) municipal-related and nonprofit employers beginning July 1, 2010; and (3) small employers beginning January 1, 2011. The state must charge employers participating in the state plan the same premium rates it pays, but can adjust a small employer's rate to reflect its group characteristics.



Other Joint Favorable Bills

S.B. No. 6 (COMM) (File No. 41) AAC PRESCRIPTION DRUG COPAYMENTS. (INS)

Substitute for S.B. No. 7 (COMM) (File No. 174) AAC HEALTH INSURANCE FOR UNINSURED CHILDREN. (INS)

S.B. No. 74 (COMM) (File No. 177) AA PROHIBITING DIFFERENTIAL PAYMENT RATES TO HEALTH CARE PROVIDERS BASED ON SITE OF SERVICE. (INS, PH)

Substitute for S.B. No. 290 (COMM) (File No. 5) AAC HEALTH INSURANCE COVERAGE FOR BONE MARROW TESTING. (INS,APP)

Substitute for S.B. No. 291 (COMM) (File No. 117) AAC HOMEOWNERS INSURANCE POLICIES FOR PEOPLE WHO OWN DOGS THAT HAVE BITTEN A PERSON. (INS,JUD)

Substitute for S.B. No. 299 (COMM) (File No. 46) AA EXPANDING HEALTH INSURANCE COVERAGE FOR ROUTINE PATIENT CARE COSTS FOR CLINICAL TRIAL PATIENTS. (INS,APP)

S.B. No. 459 (COMM) (File No. 44) AA PROHIBITING COPAYMENTS FOR PREVENTIVE CARE. (INS)

S.B. No. 461 (RAISED) AA EXEMPTING THE INSURANCE FUND FROM THE SPENDING CAP. (INS,APP)

S.B. No. 530 (COMM) (File No. 45) AA REQUIRING A STUDY OF THE FEASIBILITY OF ESTABLISHING A STATE CATASTROPHE FUND. (INS)

Substitute for S.B. No. 638 (COMM) (File No. 119) AAC HEALTH INSURANCE COVERAGE FOR COLONOSCOPIES. (INS,APP)

Substitute for S.B. No. 664 (COMM) (File No. 243) AAC BILLING FOR ASSISTED LIVING SERVICES COVERED BY LONG-TERM CARE INSURANCE. (AGE, INS)

Substitute for S.B. No. 765 (RAISED) (File No. 14) AAC HEALTH CARE PROVIDER RENTAL NETWORK CONTRACT ARRANGEMENTS. (INS,JUD)

Substitute for S.B. No. 823 (RAISED) (File No. 289) AAC REVISIONS TO THE INSURANCE STATUTES. (INS,FIN)

Substitute for S.B. No. 920 (RAISED) (File No. 251) AA CLARIFYING PENSION OBLIGATIONS OF CONTRACTORS AND SUBCONTRACTORS. (LAB,PD)

Substitute for S.B. No. 933 (RAISED) (File No. 843) AAC CHANGES TO VARIOUS TAX STATUTES. (FIN, INS)

S.B. No. 961 (RAISED) (File No. 294) AAC MEDICAL MALPRACTICE DATA REPORTING. (INS,APP)

Substitute for S.B. No. 962 (RAISED) (File No. 127) AAC WELLNESS INCENTIVES. (INS,PH,APP)

Substitute for S.B. No. 1023 (RAISED) (File Nos. 303 and 1001) AAC MOTOR CARRIER INDEMNITY AGREEMENTS. (INS)

Substitute for S.B. No. 1024 (RAISED) (File No. 130) AA REQUIRING A STUDY OF THE ESTABLISHMENT OF A STATE WORKERS' COMPENSATION INSURANCE PROGRAM. (INS,LAB)

Substitute for S.B. No. 1025 (RAISED) (File No. 131) AA REQUIRING CERTAIN MUNICIPAL REAL ESTATE RECORDS TO BE KEPT IN ONE PLACE. (INS,PD)

S.B. No. 1045 (RAISED) (File No.595) AAC RESPONSIBILITY FOR HOSPITAL “NEVER” EVENTS. (PH,INS,APP)

Substitute for H.B. No. 5093 (File No. 93) AAC PROSTHETIC PARITY. (INS,APP)

Substitute for H.B. No. 5172 (COMM) (File Nos. 324 and 944) AA ESTABLISHING A CONNECTICUT CLEARINGHOUSE TO PROVIDE HEALTH INSURANCE INFORMATION TO INDIVIDUALS AND SMALL EMPLOYERS. (INS)

H.B. No. 5400 (COMM) (File No. 63) AAC THE DISCLOSURE OF LEASED ITEMS IN REAL ESTATE TRANSACTIONS. (GL,INS)

Substitute for H.B. No. 5436 (COMM) (File Nos. 267 and 878) AAC GUIDE OR ASSISTANCE DOGS AND AUTOMOBILE INSURANCE COVERAGE. (INS)

H.B. No. 5442 (COMM) (File No. 268) AA EXTENDING THE EFFECTIVE DATE FOR CERTAIN INTERLOCAL RISK MANAGEMENT POOLS. (INS)

H.B. No. 5670 (RAISED) AA EXEMPTING MUNICIPALITIES FROM THE INSURANCE PREMIUM TAX. (INS,FIN)

Substitute for H.B. No. 5672 (RAISED) (File No. 10) AA EXPANDING INSURANCE COVERAGE FOR HEARING AIDS FOR CHILDREN. (INS,APP)

Substitute for H.B. No. 5673 (RAISED) (File No. 11) AA CONCERNING HEALTH INSURANCE COVERAGE FOR WIGS FOR INDIVIDUALS WITH HAIR LOSS DUE TO A DIAGNOSED MEDICAL CONDITION. (INS,APP)

Substitute for H.B. No. 5984 (COMM) (File Nos. 211 and 805) AA CREATING A TASK FORCE ON ALLOWING HOMEOWNERS TO SELL THEIR HOMES USING A LOTTERY SYSTEM. (INS,PS)

Substitute for H.B. No. 6152 (COMM) (File No. 315) AA ESTABLISHING A CATASTROPHIC MEDICAL EXPENSES POOL. (INS,APP)

[Substitute for H.B. No. 6240](#) (COMM) (File No. 273) AAC HEALTH INSURANCE COVERAGE FOR PERSONS WITH AUTISM. (INS,APP)

[Substitute for H.B. No. 6277](#) (RAISED) (File Nos. 35 and 286) AAC HEALTH INSURANCE COVERAGE FOR SMALL EMPLOYERS. (INS)

[H.B. No. 6278](#) (RAISED) (File No. 36) AAC INSURANCE GUARANTY FUND CREDITS. (INS,FIN)

[Substitute for H.B. No. 6354](#) (RAISED) (File No. 260) AA REGULATING SURETY BAIL BOND AGENTS. (INS,JUD)

[Substitute for H.B. No. 6444](#) (RAISED) (File Nos. 318 and 1005) AAC AUTOMOBILE INSURANCE AND THE USE OF CREDIT HISTORY FOR PERSONAL RISK INSURANCE. (INS)

[H.B. No. 6445](#) (RAISED) (File Nos. 279 and 815) AAC HOMEOWNERS INSURANCE POLICY PREMIUMS. (INS)

[Substitute for H.B. No. 6450](#) (RAISED) (File Nos. 109 and 1022) AAC THE SETTLEMENT AMOUNT ON TOTALLED MOTOR VEHICLES AND INCREASING THE INTEREST RATE INCLUDED IN CERTAIN INSURANCE ARBITRATION AWARDS. (INS)

[Substitute for H.B. No. 6527](#) (RAISED) (File Nos. 312 and 967) AAC MINOR CHANGES TO THE INSURANCE AND RELATED STATUTES. (INS,TRA)

[Substitute for H.B. No. 6529](#) (RAISED) (File No. 311) AAC THE LICENSING AND REGULATION OF THIRD-PARTY ADMINISTRATORS. (INS,JUD,FIN)

[Substitute for H.B. No. 6530](#) (RAISED) (File No. 113) AAC TRANSPARENCY IN HEALTH INSURANCE CLAIMS DATA. (INS,GAE,JUD)

[Substitute for H.B. No. 6680](#) (RAISED) (File No. 782) AAC STATE MARSHALS, WITNESS FEES AND THE SERVICE OF PROCESS. (JUD,INS)

