



## Agency Legislative Proposal - 2018 Session

**Document Name** (e.g. OPM1015Budget.doc; OTG1015Policy.doc): Rescission  
**DRAFT CID 2018 AAC RECISSIONS IN THE CASE OF FRAUD OR POST-CLAIMS UNDERWRITING**  
(If submitting electronically, please label with date, agency, and title of proposal – 092611\_SDE\_TechRevisions)

State Agency: Connecticut Insurance Department

**Liaison:** Eric Weinstein  
**Phone:** 860/297-3864  
**E-mail:** Eric.Weinstein@ct.gov

Lead agency division requesting this proposal: Connecticut Insurance Department

Agency Analyst/Drafter of Proposal: Kristin Campanelli, Counsel

**Title of Proposal:** AAC Recissions in the Case of Fraud or Post-Claims Underwriting

**Statutory Reference:** 38a-477b

**Proposal Summary:**  
This proposal seeks to streamline the current process for rescissions in the case of fraud or post-claims underwriting. Under current law, the Department of Insurance is required to prior approve rescissions. In addition, currently in place is a process outlined through external review in 38a-591a et seq. that is ACA compliant for review of rescissions. The current process in 38a-477b is not ACA compliant and is a redundant requirement that the Department review rescissions twice. This proposal keeps the consumer protections, but allows rescissions to go through the external review process just like any other adverse determination.

### PROPOSAL BACKGROUND

◇ **Reason for Proposal**

*Please consider the following, if applicable:*

- (1) *Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
- (2) *Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
- (3) *Have certain constituencies called for this action?*
- (4) *What would happen if this was not enacted in law this session?*

CID puts forth this proposal because the ACA preempted parts of our postclaims underwriting law and this proposal brings it in line with current state and federal law.

- ◇ **Origin of Proposal**       **New Proposal**       **Resubmission**



If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

N/A

**PROPOSAL IMPACT**

◇ **AGENCIES AFFECTED** (please list for each affected agency)

<b>Agency Name:</b> None <b>Agency Contact (name, title, phone):</b> Click here to enter text. <b>Date Contacted:</b> Click here to enter text.  Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
<b>Summary of Affected Agency’s Comments</b> N/A
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO

◇ **FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)

<b>Municipal</b> (please include any municipal mandate that can be found within legislation) None
<b>State</b> Potential minimal savings – Insurance Fund
<b>Federal</b> None
<b>Additional notes on fiscal impact</b> This proposed bill would reduce state liability in that it reduces redundancy in administrative services within the Connecticut Insurance Department, since there is already a process in place that is compliant with the ACA through external review to review rescissions. Click here to enter text.



◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

none

**Insert fully drafted bill here**

Sec. 38a-477b. Postclaims underwriting prohibited [unless approval granted. Application for approval of rescission, cancellation or limitation. Decision. Appeals.] Regulations. (a) [Unless approval is granted pursuant to subsection (b) of this section, no] No insurer or health care center may rescind, cancel or limit any policy of insurance, contract, evidence of coverage or certificate that provides coverage of the type specified in subdivisions (1), (2), (4), (6), (10), (11) and (12) of section 38a-469 on the basis of written information submitted on, with or omitted from an insurance application by the insured, including, but not limited to fraud, intentional misrepresentation, intentional omission, or if the insurer or health care center failed to complete medical underwriting and resolve all reasonable medical questions related to the written information submitted on, with or omitted from the insurance application before issuing the policy, contract, evidence of coverage or certificate. [No insurer or health care center may rescind, cancel or limit any such policy, contract, evidence of coverage or certificate] more than two years after the effective date of the policy, contract, evidence of coverage or certificate.

[(b) An insurer or health care center shall apply for approval of such rescission, cancellation or limitation by submitting such written information to the Insurance Commissioner on an application in such form as the commissioner prescribes. Such insurer or health care center shall provide a copy of the application for such approval to the insured or the insured's representative. Not later than seven business days after receipt of the application for such approval, the insured or the insured's representative shall have an opportunity to review such application and respond and submit relevant information to the commissioner with respect to such application. Not later than fifteen business days after the submission of information by the insured or the insured's representative, the commissioner shall issue a written decision on such application. The commissioner shall only approve:

(1) Such rescission or limitation if the commissioner finds that (A) the insured or such insured's representative submitted the written information on or with the insurance application that was fraudulent at the time such application was made, (B) the insured or such insured's representative intentionally misrepresented information therein and such misrepresentation materially affects the risk or the hazard assumed by the insurer or health care center, or (C) the information omitted from the insurance application was intentionally omitted by the insured or such insured's representative and such omission materially affects the risk or the hazard assumed by the insurer or health care center. Such decision shall be mailed to the insured, the insured's representative, if any, and the insurer or health care center; and



(2) Such cancellation in accordance with the provisions set forth in the Public Health Service Act, 42 USC 300gg et seq., as amended from time to time.

(c) Notwithstanding the provisions of chapter 54, any insurer or insured aggrieved by any decision by the commissioner under subsection (b) of this section may, within thirty days after notice of the commissioner's decision is mailed to such insurer and insured, take an appeal therefrom to the superior court for the judicial district of Hartford, which shall be accompanied by a citation to the commissioner to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. Said court may grant such relief as may be equitable.]

[(d)] (b) The Insurance Commissioner may adopt regulations, in accordance with chapter 54, to implement the provisions of this section.

DRAFT



## Agency Legislative Proposal - 2018 Session

**Document Name** (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

**DRAFT CID 2018 AAC Surety Bail Bond Agents**

(If submitting an electronically, please label with date, agency, and title of proposal – 092611\_SDE\_TechRevisions)

State Agency:

Connecticut Insurance Department

Liaison: Eric Weinstein

Phone: 860/297-3864

E-mail: Eric.Weinstein@ct.gov

Lead agency division requesting this proposal:

CID: Market Conduct

Agency Analyst/Drafter of Proposal: Tony Caporale

**Title of Proposal** AAC Surety Bail Bond Agents

**Statutory Reference** §38a-660(k), §38a-660m

### Proposal Summary

This bill would give the Department a full calendar year access to the funds needed to audit bail bondsmen. Current law requires bondsmen to pay \$450 when renewing their licenses on January 31. That money has been subject to sweeps by the end of the fiscal year giving the Department only five months, thus reducing the effectiveness of the Department's oversight – this short window was noted by the State Auditors of Public Accounts in a recent audit of the Department.

This proposal will cause the license of a surety bail bond agent to automatically expire on February 1<sup>st</sup> if the surety bail bond agent fails to pay the \$450 fee by the renewal date, and the license will be immediately reinstated if the fee is received not later than 10 days after the expiration of the license.

This proposal also establishes authority to adopt regulations to establish continuing education requirement for persons licensed as surety bail bond agents.

Finally, the proposal establishes that the Commissioner may examine a licensee's records not more than once every three years without good cause.

*Please attach a copy of fully drafted bill (required for review)*

## PROPOSAL BACKGROUND

- Reason for Proposal



Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary? **No**
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)? **Many other states have continuing education requirements**
- (3) Have certain constituencies called for this action? **The Auditors of Public Accounts have recommended changing the sweep date of the funds.**
- (4) What would happen if this was not enacted in law this session? **Revocation of licenses would continue to be more costly and time consuming. Funds established to audit agents would be prematurely sent to the general fund.**

- **Origin of Proposal**       New Proposal     Resubmission 2017 HB 7003, File #751

If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal? **Yes**
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation? **The Department worked with the Bail Association of Connecticut who has been supportive. There are other associations within the industry.**
- (4) What was the last action taken during the past legislative session? **The proposal, HB 7003, passed in the house, where it was amended by File 751, and was tabled for Senate under calendar No. 438.**

## PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name: None

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal     YES     NO     Talks Ongoing

### Summary of Affected Agency's Comments

Will there need to be further negotiation?     YES     NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

**Municipal** (please include any municipal mandate that can be found within legislation)

None

**State**

Minimal – CID will retain funds longer before they are swept into the General Fund

**Federal**

none

Additional notes on fiscal impact



• **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

Currently surety bond agents are required to pay a licensing fee to the Insurance Department by the 31<sup>st</sup> of January every year. The proposal establishes automatic expiration of those licenses if such fee is not paid on time and includes a grace period. The Insurance Commissioner is required to annually notify surety bail bonds agents of this policy. The proposal also requires an establishment of continuing education requirements for licensed surety bail bond agents.

The proposal also moves the sweep date of the surety bail bond agent examination account from the end of the fiscal year to the end of the calendar year. The Insurance Department has requested this change because licenses are renewed in January, and therefore the funding is only available for six months.

This would also require the Commissioner to adopt regulations concerning continuing education requirements.

**Insert fully drafted bill here**

***AN ACT CONCERNING SURETY BAIL BOND AGENTS.***

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

Section 1. Subsection (k) of section 38a-660 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

(k) (1) (A) To further the enforcement of this section and sections 38a-660b to 38a-660m, inclusive, as amended by this act, and to determine the eligibility of any licensee, the commissioner may[, as often as the commissioner deems necessary,] examine the books and records of any such licensee: (i) Not more frequently than once during any three-year time period; or (ii) more frequently as the commissioner deems necessary for good cause shown. Each person licensed as a surety bail bond agent in this state shall, on or before January thirty-first, annually, pay to the commissioner a fee of four hundred fifty dollars to cover the cost of examinations under this subsection.

(B) If such person fails to pay such fee on or before January thirty-first, annually, the license of such person shall automatically expire on the February first immediately following, provided the commissioner shall immediately reinstate any such license if the commissioner receives such fee not later than ten days after such expiration.



(C) The commissioner shall notify, not later than December fifteenth, annually, each person licensed as a surety bail bond agent in this state about such automatic expiration provision.

(2) The fees received by the commissioner pursuant to subdivision (1) of this subsection shall be dedicated to conducting the examinations under said subdivision (1) and shall be deposited in the account established under subdivision (3) of this subsection.

(3) There is established an account to be known as the "surety bail bond agent examination account", which shall be a separate, nonlapsing account within the Insurance Fund established under section 38a-52a. The account shall contain any moneys required by law to be deposited in the account and any such moneys remaining in the account at the [close of the fiscal] end of each calendar year shall be transferred to the General Fund.

Sec. 2. Section 38a-660m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

The commissioner may adopt regulations, in accordance with the provisions of chapter 54, to (1) implement the provisions of section 38a-660, as amended by this act, and sections 38a-660b to 38a-660k, inclusive, and (2) establish continuing education requirements for persons licensed as surety bail bond agents in this state.





## Agency Legislative Proposal - 2018 Session

**Document Name** (e.g. OPM1015Budget.doc; OTG1015Policy.doc): [Click here to enter text.](#)

**DRAFT CID 2018 AAC Technical and Minor Changes to the Insurance Statutes**

(If submitting electronically, please label with date, agency, and title of proposal – 092611\_SDE\_TechRevisions)

State Agency: Connecticut Insurance Department

**Liaison:** Eric Weinstein

**Phone:** 860/297-3864

**E-mail:** Eric.Weinstein@ct.gov

Lead agency division requesting this proposal: Connecticut Insurance Department Legal Division

Agency Analyst/Drafter of Proposal: Jon Arsenault

**Title of Proposal:** *An Act Concerning Technical and Minor Changes to the Insurance Statutes.*

**Statutory Reference:** C.G.S. §§ 38a-58a, 38a-78a, 38a-132, 38a-440, 38a-614, 38a-908, 38a-925, 38a-910.

**Proposal Summary:**

Sec. 1. Amends the insurer redomestication statute to require any non-domestic insurer to obtain the approval of the Insurance Commissioner for the transfer of its domicile to Connecticut. Such approval will be based on a determination that the insurer will be in compliance with all applicable requirements of law and that the proposed business is consistent with the interests of insured and the public. Currently, only transfers out of Connecticut require the approval of the Insurance Commissioner.

Sec. 2. Deletes the exemption for fraternal benefit societies with respect to adherence to the manual of valuation instructions adopted by the NAIC which introduces the concept of principle-based reserving (PBR) of life insurance companies' actuarial liabilities in lieu of the formulaic reserve approach. Connecticut has only one fraternal which intends to utilize PBR for its reserves. This amendment is required for compliance with NAIC Accreditation standards.

Sec. 3. Corrects an error in section 38a-132(a)(1) by deleting the reference to "subdivision (1) of".

Sec. 4. Amends section 38a-440(a) consistent with the NAIC *Standard Nonforfeiture Law for Individual Deferred Annuities* to exempt contingent deferred annuities (CDAs) from the current nonforfeiture requirements, and to authorize the Insurance Commissioner to prescribe by regulation CDA-specific requirements in the future. Due to the structure of CDAs, they cannot



comply with the prescribed computational methods and minimum nonforfeiture values for deferred annuities, but will be subjected to separate nonforfeiture standards, if needed, when adopted at a later time by regulations promulgated by the Commissioner.

Sec. 5. Corrects an inconsistency in the statutes: currently, section 38a-11(a)(20)(C) imposes a \$20 fee for filing of the annual report for a fraternal benefit society, while section 38a-614(a)(1) and (2) imposes a \$10 filing fee for the same report. Section 5 will amend section 38a-614(a) to reference the \$20 filing fee in section 38a-11 and thereby conform to existing Insurance Department practice of collecting \$20 as the required filing fee.

Sec. 6. Corrects section 38a-925. This statute used to provide that each agent was required to give notice to policyholders whose policies were underwritten through an agent of an insolvent insurer. In 1992, the statute was amended to require that agents are required to provide information pursuant to section 38a-908 and, if the agent is a general agent, additional information must be provided. However, the last three sentences in subsection (a) and the sentence comprising subsection (b) still obviously relate to the prior version of the statute. The proposed amendment will align the statute with the wording of the former *Insurers Rehabilitation and Liquidation Model Act*.

Sec. 7 is new language that would require submissions or filings to the Insurance Commissioner be submitted electronically. The language also allows that the entity making the filing or submission be able to request an exemption from the Commissioner for electronic filing if they can demonstrate undue hardship, implacability, or good cause.

Sec. 8 is purely technical. Section 38a-910 is repealed because in 1979 when the new receivership statutes were enacted, this provision would have permitted a pending insurance receivership proceeding to be deemed to have commenced under the new receivership statutes. This statute has never been applied to a receivership and serves no purpose today.

Sec. 9 is a PLACEHOLDER pending further discussions with the Chief State's Attorney's office. To license bail bondsmen, CID has to follow a statutory procedure to check with the Chief State's Attorney's Office to determine if an applicant, through their fingerprints, has a criminal record or not – this is performed through an agreement with DESPP. CID only receives a notification stating if an applicant does or does not have a criminal record. The FBI, through an audit of DESPP, has determined that CID will have to do a comprehensive update of procedures. CID would like to continue to do comprehensive background checks of applicants, but would like to not have it done through the FBI system.

## PROPOSAL BACKGROUND

### ◇ Reason for Proposal



Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary? **NO.**
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)? **ALL STATES, EXCEPT CT HAVE SEC. 2; A NUMBER OF STATES HAVE PROVISIONS SIMILAR TO SEC. 1, 3, 5, 6. Sec. 7 is inspired by insurance law from New York State and Oklahoma.**
- (3) Have certain constituencies called for this action? **SEC. 2 REFLECTS NAIC ACCREDITATION STANDARDS.**
- (4) What would happen if this was not enacted in law this session? **THE CID WOULD SEEK LEGISLATION IN 2019. Specifically relating to section 9: The Insurance Department would have to undergo a comprehensive update of procedures related to the fingerprinting of bail bondsmen via the FBI's system.**

Click here to enter text.

- Origin of Proposal
- New Proposal**
- Resubmission

If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

Click here to enter text.

**PROPOSAL IMPACT**

- AGENCIES AFFECTED** (please list for each affected agency)

**Agency Name:** Section 9 (placeholder) – Office of the Chief State's Attorney  
**Agency Contact (name, title, phone):** Leonard Boyle, Wilfred Blanchette  
**Date Contacted:** Click here to enter text.

Approve of Proposal     YES     NO     **Talks Ongoing**

**Summary of Affected Agency's Comments**

Talks are ongoing

Will there need to be further negotiation?     YES     NO

- FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)



<p><b>Municipal</b> <i>(please include any municipal mandate that can be found within legislation)</i> NO FISCAL IMPACT.</p>
<p><b>State</b> Section 9 – minimal cost impact to CID from updating of administrative procedures</p>
<p><b>Federal</b> NO FISCAL IMPACT</p>
<p><b>Additional notes on fiscal impact</b> Click here to enter text.</p>

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

Click here to enter text.

**Insert fully drafted bill here**

**AN ACT CONCERNING TECHNICAL AND MINOR CHANGES TO THE INSURANCE STATUTES.**

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

Section 1. Subsection (a) of section 38a-58a of the general statutes is repealed and the following is substituted in lieu thereof *(Effective from passage)*:

(a) Any insurer which is organized under the laws of any other state and is admitted to do business in this state for the purpose of writing insurance may, **upon approval of the insurance commissioner,** become a domestic insurer. **Such insurer shall [by complying] comply** with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type, [and by designating] **designate** its principal place of business at a location in this state, **and provide such other relevant documents or information that the commissioner reasonably requires. After demonstrating to the satisfaction of the commissioner that upon redomestication, the insurer will be in compliance with all applicable requirements of law and that the proposed business is consistent with the interests of insureds and the public, the commissioner may, in accordance with section 38a-41 issue a new license to the insurer to reflect the change in its state of corporate domicile** [The domestic



insurer shall be [entitled to like certificates and licenses to transact business in this state] and **the insurer** shall be subject to the authority and jurisdiction of this state. The articles of incorporation of the domestic insurer may be amended to provide that the corporation is a continuation of the corporate existence of the original foreign corporation through adoption of this state as its corporate domicile and that the original date of incorporation in its original domiciliary state is the date of incorporation of the domestic insurer.

Sec. 2. Subparagraph (A) of subdivision (2) of subsection (1) of section 38a-78 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

(2) (A) The provisions of this subdivision shall apply to policies and contracts issued on or after the operative date of the Valuation Manual, as set forth in section 38a-78a. [The provisions of this subdivision shall not apply to a society subject to section 38a-614, unless such society elects to use the standards pursuant to subdivision (9) of subsection (a) of section 38a-614.]

Sec. 3. Subdivision (1) of subsection (b) of section 38a-132 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

(b) (1) Any public hearing held by the commissioner pursuant to [subdivision (1) of] subsection (a) of this section shall be held not later than thirty days after the statement required by section 38a-130 is filed with the commissioner. The commissioner shall provide at least twenty days' notice of such hearing to the person filing the statement. The person filing the statement shall (A) provide at least seven days' notice of such public hearing to the insurance company and to such other persons as may be designated by the commissioner, (B) publish, in a manner prescribed by the commissioner, notice of such hearing in a newspaper of general circulation in the city of Hartford and in such other municipality as the commissioner may direct, and (C) provide notice in such other manner as the commissioner deems appropriate under the circumstances. If any amendment to the statement is filed, the commissioner may postpone the public hearing for a reasonable period not to exceed thirty days after the filing of such amendment.

Sec. 4. Subsection (a) of section 38a-440 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

(a)(1) This section shall not apply to any reinsurance, group annuity purchased under a retirement plan or plan of deferred compensation established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as now or hereafter amended, premium deposit fund, variable annuity, investment annuity, immediate annuity, any deferred annuity contract after annuity payments have



commenced, or reversionary annuity, nor to any contract which shall be delivered outside this state through an agent or other representative of the company issuing the contract.

(2) This section shall not apply to contingent deferred annuities.

(3) Notwithstanding subdivision (2) of this subsection, the Commissioner may adopt regulations in accordance with the provisions of chapter 54 to prescribe nonforfeiture benefits for contingent deferred annuities that are, in the opinion of the Commissioner, equitable to the policyholder, appropriate given the risks insured, and to the extent possible, consistent with general intent of this section.

Sec. 5. Subdivisions (1) and (2) of subsection (a) of section 38a-614 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

(1) Each domestic society transacting business in this state shall, annually, on or before the first day of March, unless the commissioner has extended such time for cause shown, file with the commissioner, and electronically to the National Association of Insurance Commissioners, a true and complete statement of its financial condition, transactions and affairs for the preceding calendar year and pay a fee [of ten dollars] **as set forth in section 38a-11** for filing the same. The statement shall be in general form and context as approved by the National Association of Insurance Commissioners for fraternal benefit societies and as supplemented by additional information required by the commissioner. An electronically filed true and complete report filed in accordance with section 38a-53a that is timely submitted to the National Association of Insurance Commissioners shall not exempt a domestic society from timely filing a true and complete paper copy with the commissioner.

(2) Each foreign society transacting business in this state shall, annually, on or before the first day of March, unless the commissioner has extended such time for cause shown, file with the commissioner, and electronically to the National Association of Insurance Commissioners, a true and complete statement of its financial condition, transactions and affairs for the preceding calendar year and pay a fee of [ten dollars] **as set forth in section 38a-11** for filing the same. The statement shall be in general form and context as approved by the National Association of Insurance Commissioners for fraternal benefit societies and as supplemented by additional information required by the commissioner. An electronically filed true and complete report filed in accordance with section 38a-53a that is timely submitted to the National Association of Insurance Commissioners shall be deemed to have been submitted to the commissioner in accordance with this subsection.

Sec. 5. Subsection (a) of section 38a-908 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

(a) Any **present or former** officer, manager, director, trustee, owner, employee or agent of any insurer, or any other persons with authority over or in charge of any segment of the insurer's affairs,



shall cooperate with the commissioner in any proceeding under this chapter or any investigation preliminary to the proceeding. The term "person" as used in this section shall include any person who exercises control directly or indirectly over activities of the insurer through any holding company or other affiliate of the insurer. **As used in this section, the term "person" includes any person who directly or indirectly exercises control over activities of the insurer through any holding company or other affiliate of the insurer.** "To cooperate" shall include, but shall not be limited to, the following: (1) To reply promptly in writing to any inquiry from the commissioner requesting such a reply; and (2) to make available to the commissioner any books, accounts, documents, or other records or information or property of or pertaining to the insurer and in his possession, custody or control.

Sec. 6. Section 38a-925 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2018*):

(a) Every person who receives notice in the form prescribed in section 38a-924, that an insurer which he represents as an agent is the subject of a liquidation order, shall within thirty days of such notice provide to the liquidator, in addition to the information he may be required to provide pursuant to section 38a-908, the information in the agent's records related to any policy issued by the insurer through the agent, and if the agent is a general agent, the information in the general agent's records related to any policy issued by the insurer through an agent under contract to him, including the name and address of such subagent. A policy shall be deemed issued through an agent if the agent has a property interest in the expiration of the policy, or if the agent has had in his possession a copy of the declarations of the policy at any time during the life of the policy, except where the ownership of the expiration of the policy has been transferred to another. [The written notice shall include the name and address of the insurer, the name and address of the agent, identification of the policy impaired and the nature of the impairment including termination of coverage, as described in section 38a-921. Notice by a general agent satisfies the notice requirement for any agents under contract to him. Each agent obligated to give notice under this section shall file a report of compliance with the liquidator.]

(b) Any agent failing to [give notice or file a report of compliance] provide the information to the liquidator as required in subsection (a) of this section may be subject to a penalty of not more than two thousand five hundred dollars and may have his license suspended, said penalty to be imposed after a hearing held by the commissioner.

Sec. 7. (NEW) (*Effective upon passage*). Notwithstanding any other provision of law, the Insurance Commissioner may, by appropriate order, require an insurer or other person or entity making a filing or submission with the Commissioner pursuant to this title to submit the filing or submission to the Commissioner by electronic means. Should the Commissioner require that a filing or submission be made by electronic means, an insurer or other person or entity affected thereby may submit a



request to the Commissioner for an exemption from the electronic filing requirement upon a demonstration of undue hardship, impracticability, or good cause, subject to the approval of the Commissioner.

Sec. 8. Section 38a-910 of the general statutes are repealed. (*Effective October 1, 2018*)

Sec. 9. **PLACEHOLDER**

DRAFT