



2017 PIACT LEGISLATIVE AND REGULATORY INITIATIVES



The Professional Insurance Agents of Connecticut Inc. represents more than 400 professional, independent insurance agencies employing thousands of people throughout Connecticut, working together to service the personal and business insurance needs of consumers. Seeking to work toward a successful 2017 legislative session, PIACT Legislative/Business Issues Committee members and staff reviewed past legislative initiatives, looked at ongoing issues of concern and, through regional advisory council meetings, reached out to membership across the state to discern the issues of concern to them.

The 2017 legislative session is a long session, beginning on Jan. 4 and ending on June 7. PIACT, as an association, is interested in not only insurance issues, but also the current economic trends in the state of Connecticut and their subsequent effect on insurance consumers and their business operations. Accordingly, PIACT assembled this listing of legislative and regulatory initiatives.

Ride hailing



Ride hailing has been an ongoing legislative and regulatory issue in Connecticut, with carriers both supporting and opposing the practice. In the 2016 session, H.B.5523 passed the House on April 30, but died on the Senate calendar. The bill required a driver for a Transportation Network Co. to have a minimum of \$50,000 coverage for personal injury or death of one person; \$100,000 coverage for personal injury or death of more than one person and the state minimums of uninsured/underinsured motorists coverage during Phase 1 (i.e., when application or “app” is on, but driver has not responded to a hail). During Phases 2 and 3, when the driver responds to a hail until the passenger’s departure from the vehicle, the driver must be covered by a policy that provides at least \$1million for death, bodily injury and property damage on account of any accident and legally required uninsured and underinsured motorists coverage. This version of the bill differed from the 2015 version, which required the TNC policy to provide first-dollar coverage should the driver’s first-party coverage lapse or otherwise neglect to fully satisfy the insurance requirements. The recent version allowed the insurance requirements to be met by either an automobile insurance policy maintained by the TNC or one maintained by the TNC driver.

During the 2016 session, PIACT was in discussion with members of the Insurance and Real Estate Committee in an effort to raise the minimum uninsured/underinsured motorists coverage requirements during all phases to \$1 million, which is the current minimum of Uber’s policy. While the proposed change did not make it out of the committee in their final draft, PIACT is determined to revisit this concern in the upcoming session with the new co-chairs of the committee.



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Even though TNC legislation was not passed in the previous two sessions, it is almost certain that regulating TNC businesses will be revisited again, and the structure and details of the 2016 proposed legislation are likely to carry into the 2017 version. Of particular interest to PIACT, is the insurance coverage mandates imposed by any TNC legislation. PIACT supports legislation that eliminates the potential gaps in coverage between a TNC driver's personal automobile policy and the commercial coverage provided by the TNC. PIACT will continue to monitor any legislation regarding ride hailing in the upcoming session.



Health-care commissions

In the past few years, PIACT has been monitoring the decrease and elimination of commissions paid by health insurance carriers in an effort to cut administrative costs and remain compliant with the medical loss ratio of the Patient Protection and Affordable Care Act. The PPACA requires that large group carriers spend 85 percent of premium dollars on paying claims and the remaining 15 percent on administrative costs. Small groups have a MLR of 80 percent toward paying claims and 20 percent toward administrative costs. Under the act, commissions are considered an administrative cost.

In an effort to aid agents and brokers who are suffering a loss of income due to these cuts, PIACT has been exploring options to require commissions be paid by the carriers, and will continue to do so during the 2017 legislative session.



Workers' compensation

In response to members' concerns, PIACT has been researching possibilities to reform the current Workers' Compensation Law in order to protect general contractors from being charged in their policies and subsequent audits for artisans and other similar subcontractors who are true sole proprietors. We have broached the subject with the Connecticut Insurance Department, and the PIACT Legislative/Business Issues Committee will be discussing options at their February 2017 meeting to meet with the Workers' Compensation Commission. PIACT will continue to delve into possible solutions to this issue.