



LEGISLATIVE POSITION

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DATE: Feb. 28, 2019
TO: Insurance and Real Estate Committee
FROM: Professional Insurance Agents of Connecticut Inc.

STATEMENT RE: H.B.7170—AN ACT CONCERNING PRIVATE-PASSENGER NONFLEET AUTOMOBILE INSURANCE POLICY QUOTES

The Professional Insurance Agents of Connecticut Inc., or PIACT, is pleased to support the majority Raised House Bill No. 7170, “An act concerning private-passenger nonfleet automobile insurance policy quotes” and respectfully submits suggestions for a modification.

PIACT is a voluntary, membership-based trade association representing professional, independent property/casualty insurance agents. Our members and their employees doing business in Connecticut provide primarily property and casualty insurance to businesses and individual clients throughout the state.

There is currently a practice in the insurance community of certain carriers of personal automobile policies binding coverage based on an initial quote and questionnaire with the insured, and then raising the premium following a check of the insured’s driving history. Responsible insurance agents and companies utilize all available underwriting resources prior to binding a policy for an insured. The practice of intentionally disregarding driver-history information in order to present a false price to an insurance consumer undermines the credibility of the insurance industry as a whole. Consumers should be able to rely on the quotes for insurance policies to be fair and accurate so they can determine whether the coverage is affordable. This practice detracts from that ability and leaves the consumers bound to policies that are much more expensive than originally represented and in some cases, unaffordable. Requiring all carriers to run motor vehicle reports prior to binding coverage would guarantee the consumer will receive a fair and accurate quote prior to committing to the expense.

PIACT respectfully suggests a modification to change the requirement of running any driver history reports from prior to quoting a policy to prior to binding an insurance policy. Insurance producers often seek quotes from multiple insurance carriers before placing a single policy. Requiring an insurance producer to run a driver-history report prior to quoting would force a producer to run multiple reports, usually at the producer’s own expense, in order to place a single policy. This would not only be a cost-prohibitive practice but one that could limit consumer choice, while not providing any tangible benefit to the consumer that would not otherwise be gained by simply requiring the driver-history report prior to binding.

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PIACT is advocating for the passage of H.B.7170, which requires that any driving-history reports utilized as underwriting or rating factors of personal automobile policies be disclosed with the modification of requiring these reports be run prior to binding a policy, as mentioned above. PIACT wants to see that both the consumers and producers of Connecticut are protected.

PIACT commends the Legislature for addressing this issue.