



LEGISLATIVE POSITION

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DATE: March 3, 2025

FROM: Bradford J. Lachut, Esq.
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Professional Insurance Agents of Connecticut Inc.

TESTIMONY BEFORE: Connecticut General Assembly Environment Committee

STATEMENT RE: OPPOSITION OF SENATE BILL NO. 1245

AN ACT establishing a resilient Connecticut strategy

Chairman Lopes, Chairman Parker, and members of the Environment Committee, thank you for the opportunity to submit written testimony.

The Professional Insurance Agents of Connecticut Inc. (PIACT) represents independent insurance agents and brokers who provide professional guidance on property and casualty insurance to consumers across the state. PIACT opposes S.B.1245, which would require insurance producers and surplus-lines brokers to provide written notice about the availability of flood insurance at the time of application for personal risk insurance.

While PIACT supports efforts to help property owners understand their insurance options, this bill imposes unnecessary and duplicative administrative burdens on insurance producers. Instead of improving consumer access to flood insurance, it could drive up costs and reduce insurance options.

Flood insurance awareness is not the issue—affordability is

Independent insurance producers already play a vital role in educating clients about flood insurance. Most producers proactively discuss flood coverage with home and business owners, particularly in flood-prone areas. The real barrier to flood insurance adoption is not a lack of awareness but affordability. Whether through the National Flood Insurance Program (NFIP) or private insurers, flood insurance can be prohibitively expensive for many property owners. Addressing this issue requires broader solutions—ones that PIACT would be thrilled to be a part of but they are beyond the scope of this legislation.

Unnecessary and redundant

Federal and state laws already require mortgage lenders to notify homebuyers if their property is in a flood zone and provide information on flood insurance

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options. Additionally, the Federal Emergency Management Agency (FEMA) and the NFIP actively promote flood insurance awareness. S.B.1245 duplicates these efforts, adding little value while increasing administrative costs for insurance producers.

Increased administrative burden on insurance producers

Under this bill, insurance producers would be required to provide written disclosures and obtain signed acknowledgments from every applicant. This additional paperwork creates another compliance burden in an already heavily regulated industry. Smaller, independent agencies—many of which operate on limited resources—would be disproportionately affected, making it harder for them to serve their clients efficiently.

Unintended liability risks for insurance producers

S.B.1245 places new liability risks on insurance producers. If a consumer later claims they were not properly informed or misunderstands the information provided, the producer could face legal and financial repercussions. This increased liability exposure may discourage producers from offering flood insurance at all. Ultimately, reducing consumer choice in the insurance marketplace.

Conclusion

While PIACT supports consumer education on flood insurance, S.B.1245 does not address the real issue—affordability. Instead, it imposes unnecessary regulatory burdens, duplicates existing disclosure requirements, and creates legal risks that could limit consumer choice and increase costs.

We urge the Legislature to reconsider this proposal and focus on more effective ways to expand flood insurance accessibility, such as strengthening flood resilience and mitigation efforts at the state and local level or increasing affordability through public-private partnerships.

For these reasons, PIACT respectfully opposes S.B.1245.