



STATEMENT RE:

**Raised House Bill 7059
Proposed House Bill 5673
Proposed House Bill 6667**

**PROFESSIONAL
INSURANCE
AGENTS**

**TO:
BY:**

Insurance & Real Estate Committee
Professional Insurance Agents
of Connecticut Inc.

DATE:

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The Professional Insurance Agents of Connecticut, Inc. (PIACT), an association representing more than 500 member independent insurance agents who employ over 3,500 people throughout the state, offers the following comments relating to Raised House Bill 7059, Proposed House Bill 5673 and Proposed House Bill 6667.

Each of these bills represent, at least in part, a reaction to the disruption caused last summer by one insurance company's decision to require its coastal insureds to install permanent hurricane shutters on their homes. The effects of this company's decision felt magnified because of its market share of coastal properties.

Connecticut's homeowners insurance market, however, is competitive. Options exist at a variety of prices because insurers have been permitted to manage and underwrite risks in light of increasing property values, rising reinsurance risks and other meteorological factors. In short, this underwriting flexibility has allowed Connecticut's insurers to remain in the market and benefits consumers in the long run.

PIACT is also concerned about the precedent that these three bills could create. Insurance is already a highly regulated industry, and it is not clear that it is in the best interest of Connecticut's consumers that that the General Assembly should get involved in further regulating insurers' underwriting abilities at this time.

The Connecticut Insurance Department specifically is empowered to regulate the state's insurance market and must try at all times to balance the interests of insurers and policyholders. It is unsurprising that this 'big-picture' view will periodically result in unpopular decisions, but the department's ultimate goal is to preserve a healthy market.

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In furtherance of this objective and in conjunction with its coastal homeowners insurance availability study last fall, the insurance department has instituted new underwriting guidelines for insurers. The guidelines are designed to help alleviate some of the stress the market currently may be experiencing. The department is also facilitating the development of a coastal market assistance program (CMAP) that should provide yet another option for coastal homeowners.

PIACT respectfully requests the Committee to consider the above factors in connection with H.B. 7059, H.B. 5673 and H.B. 6667.