

**PROGRAM DIVISION
BULLETIN**

2002-05

March 1, 2002

SUMMARY: Connecticut Insurance Department Market
Conduct Exam

ACTION NEEDED: Compliance with Connecticut Rules and
Regulations

INTRODUCTION

A recent examination by the Connecticut Insurance Department has revealed that we need to tighten our procedures to improve compliance with Connecticut regulatory requirements specifically in regards to notice of increase premiums on renewals.

REGULATION OF POLICY TYPES

RENEWAL PREMIUM EXEMPT POLICY TYPES

1. Workers' Compensation
2. Wet Marine
3. Aircraft - Hull and Liability
4. Reinsurance
5. Policies with annual premiums in excess of \$50,000 [38a-323(b)](6)

POLICY TYPES REGULATED BY INSURANCE CODE

Policies of commercial risks insurance including inland marine, and policies issued by surplus lines insurers, except as exempted above. [38a-664](22); [38a-323(f)](6)

© 2000 American International Group, Inc.
The material contained herein is proprietary to the member companies of American International Group, Inc. and is intended for use only by Program Administrators. Unauthorized disclosure, dissemination, copying, or other use of this material without the expressed written permission of AIG is strictly prohibited.

LEXINGTON INSURANCE COMPANY

PROGRAM DIVISION

200 State Street/11th Floor, Boston, MA 02109
phone 617-330-1100 / fax 617-330-8595

ACCEPTABLE REASONS

Renewal or anniversary billing notice is required if there is an increase of more than 10% in the annual renewal premium. [38a-323(b)](6)

PROHIBITED REASONS

An insurer may not limit the amount, extent or kind of coverage available to an individual or charging an individual a different rate because of physical disability, mental retardation, blindness or partial blindness. [38a-816](23)

NOTICE REQUIREMENTS TIME PERIOD

1. Thirty (30) days before the renewal or anniversary date. [38a-323(b)](6)
2. Sixty (60) days notice if the insured is a municipality. [38a-323(d)](6)
3. Sixty (60) days notice for policies written as surplus lines. [38a-323(f)](6)

PROOF OF NOTICE

Statute indicates that notice should be mailed or delivered to the insured. [38a-323(b)](6)

© 2000 American International Group, Inc.
The material contained herein is proprietary to the member companies of American International Group, Inc. and is intended for use only by Program Administrators. Unauthorized disclosure, dissemination, copying, or other use of this material without the expressed written permission of AIG is strictly prohibited.

LEXINGTON INSURANCE COMPANY

PROGRAM DIVISION

200 State Street/11th Floor, Boston, MA 02109
phone 617-330-1100 / fax 617-330-8595