



State of Connecticut

Insurance Department

THOMAS R. SULLIVAN
COMMISSIONER

OFFICIAL NEWS RELEASE

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Insurance Department holds companies/agents accountable to the tune of \$4.1M in 2008.

Today Insurance Commissioner Thomas R. Sullivan announced that \$4,179,721.00 was collected in 2008 by the Insurance Department Market Conduct Division for violations to state law. All fines collected were remitted to the State's general fund.

"Effective consumer protection is the hallmark of state regulation," said Commissioner Sullivan. "Compliance with our state's laws is paramount to ensuring consumers are protected."

In 2007, the Market Conduct Division collected \$1.3M for state law violations. The fines for 2008 were markedly higher due to a \$2.1M fine against Assurant Health companies for violations to Connecticut insurance laws and regulations arising under short-term health insurance policies.

The most frequent violation, during 2008, was unlicensed or non appointed agents. Connecticut, unlike other states, requires that agents be both licensed to sell insurance with this state and appointed by the insurer through the Insurance Department. Therefore, agents without a Connecticut license are not authorized to sell insurance within the state of Connecticut, and agents without an official appointment are not authorized to sell that company's policies. An agent may be appointed by many insurance companies at the same time.

The Market Conduct Division performs examinations of insurance companies, healthcare centers, fraternal benefit societies and medical utilization review companies doing business in Connecticut to analyze how the insurance market and the individual companies meet and service the needs of Connecticut consumers. The examinations are conducted to ensure equitable treatment of policyholders and claimants, and compliance with statutes and regulations.

The Division also conducts investigations of alleged improper conduct against individual licensees and other significant matters occurring within the insurance marketplace. If violations have occurred, the Insurance Commissioner issues an order, which outlines the allegations, imposes a fine, and requests that a corrective action plan be submitted to the Insurance Commissioner within 90 days.

ABOUT THE CONNECTICUT INSURANCE DEPARTMENT

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at www.ct.gov/cid.

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