

**BIG I**  
CONNECTICUT

**LEGISLATIVE  
POSITION PAPER**  
— 2025 SESSION —



Founded in 1899,  
Big I CT believes  
that independent  
insurance agents  
serve customers  
best with trusted  
advice and the  
right coverage  
options to protect  
what matters  
most.

Connecticut is viewed as the insurance capital of the world, with **107 domestic insurers** and the most per capita insurance jobs of any state.

Our members are uniquely positioned as an integral part of their communities to assist on a broad range of economic development, tax, insurance, and other business issues that impact families and businesses in Connecticut.

At every step in the insurance journey, independent agents and brokers are advocates for their customers.

## meet THE TEAM

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# GRASSROOTS & MEMBER *Engagement*

Independent agents are passionate and powerful advocates for their businesses and customers. In 2023-24, member agents played a crucial role in advancing beneficial legislation and were decisive in supporting Big I CT's work blocking harmful proposals. Big I CT members traveled to Washington, D.C. and met with the state's Congressional and Senate delegation as part of our National Legislative Conference, calling for long-term reauthorization of the NFIP, maintaining small business tax fairness, and cracking down on legal system abuse. At the state level, Big I CT Board Member Danielle Brown testified before the Connecticut Legislature's Joint Committee on Insurance and Real Estate on the importance of modernizing the excess lines placement process, and members of the board met with Insurance Commissioner Mais and his top staff to discuss the dire state of the market.

Want to get involved? Join our Government Affairs Committee, which supports legislative and regulatory issues, grassroots campaigns, and legislator engagement activities.

Email Travis Wattie at [tswattie@bigict.org](mailto:tswattie@bigict.org).

Our members are  
champions for  
independent  
agencies and their  
customers across  
the state. Big I CT  
agents are crucial  
to our legislative  
success.



[www.BigICT.org](http://www.BigICT.org)

# 2023-24 VICTORIES

## **Non-Compete Ban Bill Defeated:**

This bill was modeled after legislation in Washington State and would have rendered noncompete agreements largely unenforceable for most employees either making less than three times the minimum wage or independent contractors making less than five times the minimum wage. Big I CT opposed this bill, which ultimately did not advance.

## **Artificial Intelligence:**

Big I CT worked collaboratively with industry stakeholders and the bill sponsor to ensure SB2 recognized that the insurance industry was already actively responding to the unique applications and risks of Artificial Intelligence (AI) to the insurance space. In response, the sponsor amended the bill to create an affirmative defense for AI systems regulated by the Insurance Commissioner, essentially leaving oversight for AI in the insurance industry up to the Insurance Department, such as through the current AI bulletin and regulations that prohibit unfair discrimination. It is expected that the bill will return for additional consideration in the 2025 session as it passed the Senate but not the House.

## **Passage of Law to Reduce Surplus Lines Paperwork:**

In 2023, Big I CT was instrumental in the passage of HB6621, which reduces the paperwork obligation on surplus lines wholesalers. The law removes the quarterly requirement to submit a signed affidavit to the Insurance Department and, instead, requires brokers to keep (1) all documentation on the authorized insurer, and (2) information on each policy placed in the surplus lines market. The documentation and information must be kept as the commissioner prescribes and be made available for CID examination upon request.

## **Dog Breed Underwriting Bill Defeated:**

Big I CT was the only group to testify in opposition to legislation which would have prohibited carriers from considering a dog's breed in underwriting. This bill would have restricted carriers' ability to effectively underwrite homeowners' risks and contributed to higher insurance rates.



# 2025

## POLICY PRIORITIES

### **Improve the Customer and Agent Experience When Placing Coverage in the Excess & Surplus Market:**

Excess & Surplus (E&S) lines insurance is specialty coverage that standard carriers do not offer. Typically, this includes unusual or high-risk exposures, or those with little or no claims history. E&S coverage offers substantial flexibility and is essential to promoting innovation and choice in the insurance market, and is one of the fastest growing markets for insurance. To place and renew coverage in the E&S market, an agent must first make a "diligent effort," meaning having the coverage declined by three admitted insurance carriers. In practice, this is a significant time and paperwork burden on agents, particularly on renewals where the agent has already once received the necessary declinations.

**ACTION NEEDED:** Big I CT supports legislation to eliminate the requirement to obtain three declinations from admitted carriers when renewing a policy. This would allow agents to focus on what matters most – helping their customers. We also support expanding the list of excess lines coverage that is exempt from the diligent effort requirement, also known as the "export list." This will reduce the barriers to placing customers in the excess market. Big I CT is committed to working with the CT Department of Insurance to expand this list to include coverages which are often better placed in the excess market, such as cyber liability insurance.

### **Protect Consumers from Misleading Pricing Practices:**

Currently, certain insurance carriers will bind auto coverage based on an initial quote and questionnaire. The insurer later runs the insured's motor vehicle record (MVR), typically resulting in a higher premium. This practice can be misleading to consumers.

**ACTION NEEDED:** Big I CT supports legislation to require insurers to verify a customer's MVR before binding coverage.

### **Protect Consumer Choice in Health Insurance:**

We believe a government-run single payer system or public option scheme would be prohibitively expensive, reduce consumer choice, and disrupt other insurance coverage, including existing Medicare coverage for seniors and employer-sponsored health insurance coverage.

**ACTION NEEDED:** We will continue to work cooperatively with the industry and policymakers to build upon the current strengths in the system and maintain a competitive and vibrant marketplace that will provide quality coverage at an affordable price. We are also supportive measures that will bring down the high costs of health care.



# 2025

## LEGISLATIVE PRIORITIES

### Promote Transparency in Underwriting:

As the use of AI and algorithms becomes increasingly widespread, transparency in underwriting is crucial for fostering a fair and informed insurance environment. Clear and comprehensible communication about the reasons for material changes to premiums or coverage is needed to ensure that policyholders understand the factors influencing adjustments in premiums, such as changes in personal circumstances or market conditions. This transparency not only builds trust between insurers and policyholders, but also promotes accountability within the industry. When consumers can easily comprehend the rationale behind alterations in their coverage or costs, they are better equipped to make sound financial decisions and plan for their future.

### Oppose a Ban On Non-Compete Agreements:

A ban on non-competes would have detrimental consequences for the independent insurance industry and CT policyholders, particularly in the context of business sales and acquisitions. Independent agencies are unique businesses. Unlike many other industries, the value of an insurance agency is significantly tied to its ownership of policy expirations. When an insurance agency is bought or sold, one of the key assets being transferred is the book of business, including policyholder relationships and future policy expirations. Non-compete agreements are crucial to protecting this asset and ensuring that the buyer can realize the full value of their investment.

**ACTION NEEDED: Big I CT opposes any prohibition on the use on non-compete agreements for independent insurance agents and brokers.**

### Reduce Lawsuit Abuse:

The rising cost of lawsuit abuse impacts taxes and insurance premiums. According to the Institute for Legal Reform, Connecticut's "tort costs" related to lawsuits, settlements, and other factors, are over \$4,200 per household.

**ACTION NEEDED: Big I CT supports measures to rein in lawsuit abuse and opposes measures that would expand civil liability.**

### Third Party Litigation Financing:

Third Party Litigation Financing (TPLF) provides capital for litigants to finance lawsuits that they otherwise may not be able to afford. While not inherently bad, this unregulated space has quickly become rife with deceptive practices that take advantage of those seeking help and inflate the size of awards. In the very worst cases, TPLF abuse can even cause long term medical issues for claimants who are unwittingly caught up in insurance fraud schemes.

**ACTION NEEDED: Big I CT supports legislative solutions that include interest caps, disclosure and transparency when a case is being funded by a third party, and guardrails to protect consumers.**

