

## Insurance and Real Estate Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-6435

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S AUTOMOBILE

**Title:** PHYSICAL AND PROPERTY DAMAGE ARBITRATION PROCESS.

**Vote Date:** 2/20/2025

**Vote Action:** Joint Favorable Substitute

**PH Date:** 1/28/2025

**File No.:** 52

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### SPONSORS OF BILL:

Insurance and Real Estate Committee

### REASONS FOR BILL:

This bill is intended to promote fairness in arbitration proceedings and incentivize insurance companies to make reasonable settlement offers before arbitration.

### SUBSTITUTE LANGUAGE:

The substitute language changed the costs that must be reimbursed to be those incurred by the insurance department rather than the arbitrator.

### RESPONSE FROM ADMINISTRATION/AGENCY:

[Insurance Department, Commissioner, Andrew Mais](#) explained that he supports this bill encouraging a resolution of claims pre-arbitration. He shared that requirements that the insurance companies pay the full cost of arbitration if the decision is in the claimant's favor unless the claimant rejected the insurance company's pre-arbitration offers a compromise of equal or higher value than the arbitration award. He says that this will be facilitated by the Department requiring insurance companies to make offers of compromise when the case is in the mediation program. He shares that he feels encouragement of pre-arbitration resolution will be more time-effective for both parties involved in automobile physical or property damage claims.

### NATURE AND SOURCES OF SUPPORT:

[IAC, President, Eric George](#)

[IAC, Senior Vice President, Chris Nicolopoulos](#)

[APCIA, Vice President, Kristina Baldwin](#)

Several speakers made comments in support of funding CTDOI's operations. Yet made comments that they believe the cost of the automobile arbitration hearings should be accounted for in CTDOI's budget and paid by these assessments rather than other stand-alone mechanism.

[Forrest McPadden, Attorney, Matthew Forrest](#) supports this bill yet said he would like to see language regarding losses. He believes that by allowing the arbitration program, the ability to decide all the property losses related to an insurance claim to make the claimant whole would deter filing one case with the DOI for some losses and a Superior Court lawsuit for others. Also, he shared that he felt that language that would make it clear that a claimant under the program will not be burdened with an arbitration fee if a claimant fails.

#### **NATURE AND SOURCES OF OPPOSITION:**

None Expressed.

**Reported by: Nicole Chambrello**

**Date: 02/25/2025**