

## House Republican Press Release

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Press Office: 860-240-8700

### **A VIEW FROM THE INSIDE State Representative Ruth Fahrbach**



#### *Legislation that will take effect on October 1*

A number of laws enacted by the legislature will be taking effect Oct. 1. Often times, bills are passed by the General Assembly and signed into law by the Governor, but do not take effect immediately. Below is a summary of **two** of the more relevant laws that will take effect on **October 1**, as provided by the non-partisan Office of Legislative Research.

#### **Children's Product Safety**

In the wake of national reports about tainted toys, the legislature established limits for lead in children's products. With certain exceptions, the law makes children's products that fail to comply with these limits banned hazardous substances under the State Child Protection Act. It also prohibits the sale of toys or other articles marketed for children under age 16 that contain asbestos.

The act requires retailers and other businesses selling a banned hazardous substance to complete a certificate that accounts for its disposal. It requires the Department of Consumer Protection (DCP) to post on its website a list of banned toys and other articles intended for use by children and compile a list of toxic substances that potentially should not exist in children's products and safer alternatives to them. DCP may adopt regulations requiring certain consumer products to have warning labels if they bear lead-containing paint. DCP must do all of these activities within its available appropriations.

The act increases related criminal and civil penalties and makes it an unfair trade practice for: (1) a store to fail to post notices when DCP designates an article as a banned hazardous substance and (2) an establishment where hazardous substances are manufactured to refuse to allow a DCP inspector or investigator to inspect or obtain a sample.

#### **Captive Insurers**

A new law permits an insurance company that has its principal place of business in Connecticut to transact life insurance, annuity, health insurance, and commercial risk insurance business. The captive company must meet specified requirements governing formation, capital and surplus, local office presence, ability to meet policy obligations, payment of certain fees and premium taxes, and annual reporting, among other things.

The act requires the insurance commissioner to regulate captives and examine each at least once every five years. It authorizes him to suspend, revoke, or refuse to renew a

captive's license or impose a fine up to \$10,000 for cause. The commissioner can use the Insurance Department's Utilization Review Fund as necessary to implement the act. Under prior law he could use that fund only to regulate utilization review companies.

The act prohibits a captive from joining or contributing to the state insolvency guaranty funds. It also prohibits a captive and its insureds and their affiliates from receiving benefits from the guaranty funds if the captive becomes impaired or insolvent.

For a complete copy of Acts Affective October 1, please contact my office at 240-8700.

*State Rep. Ruth Fahrback represents the 61<sup>st</sup> District, including Suffield, and parts of Windsor and East Granby, in the General Assembly.*