



General Assembly

**Substitute Bill No. 5694**

*February Session, 2000*

***An Act Concerning Insurance Data Reporting Requirements  
And Minor And Technical Changes.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 38a-9 of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (c) Notwithstanding the provisions of section 4-8, there shall be a  
4 Division of Rate Review within the Insurance Department, which  
5 division shall act on the commissioner's behalf and at [his] the  
6 commissioner's direction in order to carry out [his] the commissioner's  
7 responsibilities under this title with respect to such matters. Subject to  
8 the provisions of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
9 amended, the division shall assist the commissioner in reviewing rates  
10 and supplementary rate information filed with the department for  
11 compliance with statutory requirements and standards. The division's  
12 staff shall include rating examiners with sufficient actuarial expertise.  
13 Upon the request of the commissioner, the division shall review rates  
14 and supplementary rate information, and any suspected violation of  
15 the statutory requirements and standards of sections 38a-663 to [38a-  
16 697] 38a-696, inclusive, as amended, found pursuant to such review  
17 shall be referred to the commissioner for appropriate action. The  
18 division may assist the commissioner in formalizing [his] findings  
19 regarding such actions. The commissioner shall report to the joint  
20 standing committee of the General Assembly having cognizance of

21 matters relating to insurance on or before January 15, 1988, and  
22 annually thereafter, concerning (1) the number and type of reviews  
23 conducted by the division in the prior calendar year, and (2) the  
24 percentage of increase or decrease in rates reviewed by the division  
25 during the preceding calendar year, by line and subline of insurance, [,  
26 and (3) instances of a filed rate found by the division to be a suspected  
27 violation of statutory requirements and standards, and the basis for  
28 each such finding.]

29 Sec. 2. Section 38a-696 of the general statutes is repealed and the  
30 following is substituted in lieu thereof:

31 (a) For purposes of this section:

32 (1) "Company" means an individual company, not part of a  
33 company group, licensed to write property or casualty insurance in the  
34 state of Connecticut. It does not include surplus lines companies; and

35 (2) "Company group" means a group of commonly owned  
36 companies, or companies under common management and control,  
37 that are licensed to write property or casualty insurance in the state of  
38 Connecticut. It does not include surplus lines companies.

39 (b) [On] Annually, on or before June [1, 1988, and annually  
40 thereafter] first, each company or company group writing commercial  
41 risk insurance in this state shall submit to the Insurance Commissioner,  
42 in a form required by the commissioner, a report showing its  
43 commercial risk insurance writings and experience for the preceding  
44 calendar year in this state and country-wide. [as provided herein.]  
45 Such report shall be based on the coding of business to line and class in  
46 accordance with currently filed and approved accounting rules and  
47 statistical plans. Such report shall consist of the information required  
48 by subsection (c) of this section for the following lines and classes of  
49 insurance written by such company or company group: (1)  
50 Commercial automobile insurance, personal injury protection; (2) other  
51 commercial automobile insurance liability; (3) products liability  
52 insurance; (4) medical malpractice insurance; (5) other liability

53 insurance as follows: (A) Municipal liability, (B) liquor liability, and  
54 (C) day care center liability; and (6) any other commercial liability line  
55 described as such in the annual statement or any other class of  
56 insurance designated by the commissioner. [after notice and hearing.]

57 (c) Reports filed pursuant to subsection (b) of this section shall  
58 include the following data, both specific to the state and country-wide,  
59 on a calendar year basis by the type of insurance for the previous  
60 calendar year ending on the thirty-first day of December next  
61 preceding. Such data includes: (1) Direct premiums written; (2) direct  
62 premiums earned; (3) incurred loss and loss adjustment expense;  
63 [developed as the sum of the following: (A) Dollar amount of losses  
64 paid, plus (B) reserves for reported claims at the end of the current  
65 year, minus (C) reserves for reported claims at the end of the previous  
66 year, plus (D) reserves for incurred but not reported claims at the end  
67 of the current year, minus (E) reserves for incurred but not reported  
68 claims at the end of the previous year, plus (F) loss adjustment  
69 expenses paid, plus (G) reserves for loss adjustment expenses at the  
70 end of the current year, minus (H) reserves for loss adjustment  
71 expenses at the end of the previous year;] (4) incurred expenses;  
72 [allocated separately to commissions, other acquisition costs, general  
73 expenses, taxes, licenses and fees, using appropriate estimates when  
74 necessary;] and (5) policyholder dividends. [; (6) net underwriting gain  
75 or loss; (7) net investment income, including net realized capital gains  
76 and losses, using appropriate estimates where necessary; (8) net  
77 income before tax, including net investment income; (9) federal income  
78 taxes, using appropriate estimates where necessary; and (10) net  
79 income.] For purposes of this subsection, estimates may be used where  
80 credible data are unavailable.

81 (d) The report may be submitted to the commissioner by a licensed  
82 rating or advisory organization on behalf of the insurer or insurer  
83 group.

84 [(d)](e) The Insurance Commissioner shall annually compile and  
85 summarize all reports submitted to [him] the commissioner pursuant

86 to subsection (b) of this section. The commissioner's compilation shall  
87 be published and made available to any interested resident of this state  
88 upon written request to the commissioner.

89 Sec. 3. Subsection (b) of section 38a-26 of the general statutes is  
90 repealed and the following is substituted in lieu thereof:

91 (b) The commissioner shall immediately send by registered or  
92 certified mail one copy of the process to the person to be served as  
93 follows: (1) To that person's last-known principal place of business,  
94 residence, or post-office address, or (2) if a foreign insurance company,  
95 to the secretary of the company or the designee of the company, or (3)  
96 if an alien insurance company, to the resident manager, if any, in this  
97 country, or (4) if a fraternal benefit society, to the secretary or  
98 corresponding officer of the society.

99 Sec. 4. Subsection (e) of section 38a-88a of the general statutes is  
100 repealed and the following is substituted in lieu thereof:

101 (e) The credit allowed by this section may be claimed only with  
102 respect to a subject insurance business which (1) occupies the new  
103 facility for which an eligibility certificate has been issued by the  
104 [Insurance Commissioner] commissioner and with respect to which  
105 the certification required under subsection (g) of this section has been  
106 issued as its home office, and (2) employs not less than twenty-five per  
107 cent of its total work force in new jobs.

108 Sec. 5. Section 38a-363 of the general statutes is repealed and the  
109 following is substituted in lieu thereof:

110 As used in sections 38a-17, 38a-19 and 38a-363 to 38a-388, inclusive:

111 (a) "Injury" means bodily injury, sickness or disease, including death  
112 resulting therefrom, accidentally caused and arising out of the  
113 ownership, maintenance or use of a private passenger motor vehicle or  
114 a vehicle with a commercial registration, as defined in subdivision (12)  
115 of section 14-1, as amended.

116 (b) "Insurer" or "insurance company" includes a self-insurer and a  
117 person having the rights and obligations of an insurer under sections  
118 38a-19 and 38a-363 to 38a-388, inclusive, as provided by section 38a-  
119 371.

120 (c) "Occupying" a vehicle means to be in or upon or entering into or  
121 alighting from the vehicle.

122 (d) "Owner" of a private passenger motor vehicle means the person  
123 who owns the legal title thereto, except where the motor vehicle is the  
124 subject of a security agreement or lease with option to purchase with  
125 the debtor or lessee having the right to possession, in which event  
126 "owner" means the debtor or lessee.

127 (e) "Private passenger motor vehicle" means a: (1) Private passenger  
128 type automobile; (2) station-wagon-type automobile; (3) camper-type  
129 motor vehicle; (4) high-mileage-type motor vehicle, as defined in  
130 section 14-1, as amended; (5) truck-type motor vehicle with a load  
131 capacity of fifteen hundred pounds or less, registered as a passenger  
132 motor vehicle, as defined in said section, or as a passenger and  
133 commercial motor vehicle, as defined in said section, or used for  
134 farming purposes; or (6) a vehicle with a commercial registration, as  
135 defined in subdivision (12) of said section, as amended. It does not  
136 include a motorcycle or motor vehicle used as a public or livery  
137 conveyance.

138 (f) "Relative" of a person means one who is related to the person by  
139 blood, marriage or adoption.

140 (g) "Use" of a motor vehicle includes the loading or unloading  
141 thereof.

142 (h) "Pedestrian" means any person not occupying a vehicle of any  
143 type other than a vehicle designed to be drawn or driven by muscular  
144 power.

145 Sec. 6. Section 38a-503 of the general statutes is repealed and the

146 following is substituted in lieu thereof:

147 [Every] Each individual health insurance policy providing coverage  
148 of the type specified in subdivisions (1), (2), (4), [(6), (10),] (11) and (12)  
149 of section 38a-469 delivered, issued for delivery or renewed in this  
150 state on or after October 1, 1988, shall provide benefits for  
151 mammographic examinations to any woman covered under the policy  
152 which are at least equal to the following minimum requirements: (1) A  
153 baseline mammogram for any woman who is thirty-five to thirty-nine  
154 years of age, inclusive; (2) a mammogram every two years for any  
155 woman who is forty to forty-nine years of age, inclusive, or more  
156 frequently if recommended by the woman's physician; and (3) a  
157 mammogram every year for any woman who is fifty years of age or  
158 older. Such benefits shall be subject to any policy provisions which  
159 apply to other services covered by such policy.

160 Sec. 7. Subsection (a) of section 38a-504 of the general statutes is  
161 repealed and the following is substituted in lieu thereof:

162 (a) [Any] Each insurance company, hospital service corporation,  
163 medical service corporation, health care center or fraternal benefit  
164 society which delivers or issues for delivery in this state individual  
165 health insurance policies providing coverage of the type specified in  
166 subdivisions (1), (2), (4), [(10),] (11) and (12) of section 38a-469, shall  
167 provide coverage under such policies for the surgical removal of  
168 tumors and treatment of leukemia, including outpatient  
169 chemotherapy, reconstructive surgery, cost of any nondental  
170 prosthesis including any maxillo-facial prosthesis used to replace  
171 anatomic structures lost during treatment for head and neck tumors or  
172 additional appliances essential for the support of such prosthesis, and  
173 outpatient chemotherapy following surgical procedure in connection  
174 with the treatment of tumors. Such benefits shall be subject to the same  
175 terms and conditions applicable to all other benefits under such  
176 policies.

177 Sec. 8. Section 38a-507 of the general statutes is repealed and the

178 following is substituted in lieu thereof:

179 [Every] Each individual health insurance policy providing coverage  
180 of the type specified in subdivisions (1), (2), (4), (11) and (12) of section  
181 38a-469 delivered, issued for delivery or renewed in this state on or  
182 after October 1, 1989, shall provide coverage for services rendered by a  
183 chiropractor licensed under chapter 372 to the same extent coverage is  
184 provided for services rendered by a physician, if such chiropractic  
185 services (1) treat a condition covered under such policy and (2) are  
186 within those services a chiropractor is licensed to perform.

187 Sec. 9. Section 38a-534 of the general statutes is repealed and the  
188 following is substituted in lieu thereof:

189 [Every] Each group health insurance policy providing coverage of  
190 the type specified in subdivisions (1), (2), (4), [(6) and] (11) and 12 of  
191 section 38a-469, delivered, issued for delivery or renewed in this state  
192 on or after October 1, 1989, shall provide coverage for services  
193 rendered by a chiropractor licensed under chapter 372 to the same  
194 extent coverage is provided for services rendered by a physician, if  
195 such chiropractic services (1) treat a condition covered under such  
196 policy and (2) are within those services a chiropractor is licensed to  
197 perform.

198 Sec. 10. Subsection (a) of section 38a-508 of the general statutes is  
199 repealed and the following is substituted in lieu thereof:

200 (a) [Every] Each individual health insurance policy providing  
201 coverage of the type specified in subdivisions (1), (2), (4), [(6), (10),]  
202 (11) and (12) of section 38a-469 delivered, issued for delivery, amended  
203 or renewed in this state on or after October 1, 1991, shall provide  
204 coverage for a child legally placed for adoption with the insured or  
205 subscriber who is an adoptive parent or a prospective adoptive parent,  
206 even though the adoption has not been finalized, provided the child  
207 lives in the household of such insured or subscriber and the child is  
208 dependent upon such person for support and maintenance.

209 Sec. 11. Subsection (b) of section 38a-535 of the general statutes is  
210 repealed and the following is substituted in lieu thereof:

211 (b) [Every] Each group health insurance policy providing coverage  
212 of the type specified in subdivisions (1), (2), (4), [(6),] (11) and (12) of  
213 section 38a-469 delivered, issued for delivery or renewed on or after  
214 October 1, 1989, or continued as defined in section 38a-531, on or after  
215 October 1, 1990, shall provide benefits for preventive pediatric care for  
216 any child covered by the policy or contract at approximately the  
217 following age intervals: Every two months from birth to six months of  
218 age, every three months from nine to eighteen months of age and  
219 annually from two through six years of age. Any such policy may  
220 provide that services rendered during a periodic review shall be  
221 covered to the extent that such services are provided by or under the  
222 supervision of a single physician during the course of one visit. Such  
223 benefits shall be subject to any policy provisions which apply to other  
224 services covered by such policy.

225 Sec. 12. Subsection (a) of section 38a-537 of the general statutes is  
226 repealed and the following is substituted in lieu thereof:

227 (a) [Any] Each individual, partnership, corporation, or  
228 unincorporated association providing group health insurance coverage  
229 of the type specified in subdivisions (1), (2), (4), (11) and (12) of section  
230 38a-469 for its employees shall furnish each insured employee, upon  
231 cancellation or discontinuation of such health insurance, notice of the  
232 cancellation or discontinuation of such insurance. The notice shall be  
233 mailed or delivered to the insured employee not less than fifteen days  
234 next preceding the effective date of cancellation or discontinuation.  
235 Any individual or any such entity which fails to provide timely notice  
236 shall be fined not more than one thousand dollars for each violation.  
237 The Labor Commissioner shall have the authority to assess all such  
238 fines. This section shall apply to any such individual, partnership,  
239 corporation or unincorporated association which substitutes one policy  
240 providing such group health insurance coverage for another such  
241 policy with no interruption in coverage.

242 Sec. 13. Section 38a-541 of the general statutes is repealed and the  
243 following is substituted in lieu thereof:

244 [Every] Each health insurance policy issued under a group  
245 insurance plan and by an insurance company, hospital or medical  
246 service corporation, health care center or fraternal benefit society  
247 providing coverage of the type specified in subdivisions (1), (2), (4),  
248 (11) and (12) of section 38a-469, delivered, issued for delivery or  
249 renewed in this state shall allow the spouse of any employee  
250 participating in such or any other group insurance plan offered by the  
251 same employer to be covered as an employee in addition to being  
252 covered as a dependent of such participating employee, except that  
253 benefits provided under such combined coverage of the employee as  
254 an employee and as a dependent shall not be in excess of one hundred  
255 per cent of the charge for the covered expense or service. The  
256 provisions of this section shall apply only where a husband and wife  
257 are employed by the same employer and by reason of their  
258 employment are both participating in a group insurance plan. Nothing  
259 in this section shall alter or impair existing group health insurance  
260 policies or contracts which have been established pursuant to an  
261 agreement which resulted from collective bargaining, and the  
262 provisions required by this section shall become effective upon the  
263 next regular renewal and completion of such collective bargaining  
264 agreement.

265 Sec. 14. Subsection (a) of section 38a-549 of the general statutes is  
266 repealed and the following is substituted in lieu thereof:

267 (a) [Every] Each group health insurance policy providing coverage  
268 of the type specified in subdivisions (1), (2), (4), [(6), (10),] (11) and (12)  
269 of section 38a-469 delivered, issued for delivery, amended or renewed  
270 in this state on or after October 1, 1991, shall provide coverage for a  
271 child legally placed for adoption with an employee or other member of  
272 the covered group who is an adoptive parent or a prospective adoptive  
273 parent, even though the adoption has not been finalized, provided the  
274 child lives in the household of such employee or member and the child

275 is dependent upon such employee or member for support and  
276 maintenance.

277 Sec. 15. Subsection (b) of section 38a-492c of the general statutes is  
278 repealed and the following is substituted in lieu thereof:

279 (b) Each individual health insurance policy providing coverage of  
280 the type specified in subdivisions (1), (2), (4), [(6),] (11) and (12) of  
281 section 38a-469 delivered, issued for delivery or renewed in this state  
282 on or after October 1, 1997, shall provide coverage for amino acid  
283 modified preparations and low protein modified food products for the  
284 treatment of inherited metabolic diseases if the amino acid modified  
285 preparations or low protein modified food products are prescribed for  
286 the therapeutic treatment of inherited metabolic diseases and are  
287 administered under the direction of a physician.

288 Sec. 16. Subsection (b) of section 38a-518c of the general statutes is  
289 repealed and the following is substituted in lieu thereof:

290 (b) Each group health insurance policy providing coverage of the  
291 type specified in subdivisions (1), (2), (4), [(6),] (11) and (12) of section  
292 38a-469 delivered, issued for delivery or renewed in this state on or  
293 after October 1, 1997, shall provide coverage for amino acid modified  
294 preparations and low protein modified food products for the treatment  
295 of inherited metabolic diseases if the amino acid modified preparations  
296 or low protein modified food products are prescribed for the  
297 therapeutic treatment of inherited metabolic diseases and are  
298 administered under the direction of a physician.

299 Sec. 17. Subdivision (4) of section 38a-564 of the general statutes, as  
300 amended by section 1 of public act 99-124, is repealed and the  
301 following is substituted in lieu thereof:

302 (4) "Small employer" means any person, firm, corporation, limited  
303 liability company, partnership or association actively engaged in  
304 business for at least three consecutive months who, on at least fifty per  
305 cent of its working days during the preceding twelve months,

306 employed no more than fifty eligible employees, the majority of whom  
307 were employed within the state of Connecticut. "Small employer"  
308 includes a self-employed individual. In determining the number of  
309 eligible employees, companies which are affiliated companies, as  
310 defined in section 33-840, or which are eligible to file a combined tax  
311 return for purposes of taxation under chapter 208 shall be considered  
312 one employer. Eligible employees shall not include employees covered  
313 through the employer by health insurance plans or insurance  
314 arrangements issued to or in accordance with a trust established  
315 pursuant to collective bargaining subject to the federal Labor  
316 Management Relations Act. Except as otherwise specifically provided,  
317 provisions of sections 12-201, 12-211, 12-212a and 38a-564 to 38a-572,  
318 inclusive, as amended, which apply to a small employer shall continue  
319 to apply until the plan anniversary following the date the employer no  
320 longer meets the requirements of this definition. "Small employer"  
321 does not include a municipality procuring health insurance pursuant  
322 to section 5-259, as amended.

323       Sec. 18. Section 38a-568 of the general statutes is repealed and the  
324 following is substituted in lieu thereof:

325       (a)(1) Subject to approval by the commissioner, the board shall  
326 establish the form and level of coverages to be made available by small  
327 employer carriers in accordance with the provisions of subsection (b)  
328 of this section. Such coverages, which shall be designated as small  
329 employer health care plans, shall be limited to: (A) A basic hospital  
330 plan, (B) a basic surgical plan, (C) major medical plans which can be  
331 written in conjunction with basic hospital plans or basic surgical plans,  
332 (D) comprehensive plans, and (E) plans with benefit and cost-sharing  
333 levels which are consistent with the basic method of operation and the  
334 benefit plans of health care centers, including any restrictions imposed  
335 by federal law. The board shall submit such plans to the commissioner  
336 for [his] the commissioner's approval [within] not later than ninety  
337 days after the appointment of the board pursuant to section 38a-569.  
338 The board shall take into consideration the levels of health insurance  
339 provided in Connecticut and such medical and economic factors as

340 may be deemed appropriate and shall establish benefit levels,  
341 deductibles, coinsurance factors, exclusions and limitations  
342 determined to be generally reflective of health insurance provided to  
343 small employers. Such plans may include cost containment features  
344 [such as] including, but not limited to: (i) Preferred provider  
345 provisions; (ii) utilization review of health care services, including  
346 review of medical necessity of hospital and physician services; (iii) case  
347 management benefit alternatives; and (iv) other managed care  
348 provisions.

349 (2) After the commissioner's approval of small employer health care  
350 plans submitted by the board pursuant to subdivision (1) of this  
351 subsection, and in lieu of the procedure established by section 38a-513,  
352 any small employer carrier may certify to the commissioner, in the  
353 form and manner prescribed by the commissioner, that the small  
354 employer health care plans filed by the carrier are in substantial  
355 compliance with the provisions in the corresponding approved board  
356 plan. Upon receipt by the department of such certification, the carrier  
357 may use such certified plans until such time as the commissioner, after  
358 notice and hearing, disapproves their continued use.

359 (b) [Within] Not later than ninety days after the commissioner's  
360 approval of small employer health care plans submitted by the board,  
361 every small employer carrier shall, as a condition of transacting such  
362 insurance in this state, offer those small employer health care plans  
363 that correspond to the insurance products being currently offered by  
364 the carrier to small employers. Every small employer [which] that  
365 elects to be covered under such plan and agrees to make the required  
366 premium payments and to satisfy the other provisions of the plan shall  
367 be issued such a plan by the small employer carrier.

368 (c) No health care center shall be required to offer coverage or  
369 accept applications pursuant to subsection (b) of this section in the case  
370 of any of the following: (1) To a group, where the group is not  
371 physically located in the health care center's approved service area; (2)  
372 to an employee, where the employee does not work or reside within

373 the health care center's approved service area; (3) within an area,  
374 where the health care center reasonably anticipates, and demonstrates  
375 to the satisfaction of the commissioner, that it will not have the  
376 capacity within that area in its network of providers to deliver services  
377 adequately to the members of such groups because of its obligations to  
378 existing group contract holders and enrollees; or (4) where the  
379 commissioner finds that acceptance of an application or applications  
380 would place the health care center in an impaired financial condition,  
381 [; or (5) to groups of fewer than three eligible employees, where the  
382 health care center does not utilize preexisting condition provisions in  
383 the plans it issues to any small employers.] A health care center that  
384 refuses to offer coverage pursuant to subdivision (3) of this subsection  
385 may not, for ninety days after such refusal, offer coverage in the  
386 applicable area to new cases of employer groups with more than  
387 twenty-five eligible employees.

388 (d) A small employer carrier shall not be required to offer coverage  
389 or accept applications pursuant to subsection (b) of this section subject  
390 to the following conditions: (1) The small employer carrier ceases to  
391 market health insurance or health benefit plans to small employers and  
392 ceases to enroll small employers under existing health insurance or  
393 health benefit plans; (2) the small employer carrier notifies the  
394 commissioner of its decision to cease marketing to small employers  
395 and to cease enrolling small employers, as provided in subdivision (1)  
396 of this subsection; and (3) the small employer carrier is prohibited from  
397 reentering the small employer market for a period of five years from  
398 the date of the notice required under subdivision (2) of this subsection.

399 Sec. 19. Subsection (d) of section 7-479e of the general statutes is  
400 repealed and the following is substituted in lieu thereof:

401 (d) Each such interlocal risk management pool and interlocal risk  
402 management agency shall, except as specifically designated herein, be  
403 exempt from the provisions of the general statutes relating to  
404 insurance. The sections of the general statutes applicable to an  
405 interlocal risk management pool and interlocal risk management

406 agency shall be: Sections 38a-11, as amended, 38a-14, 38a-17 to 38a-19,  
407 inclusive, 38a-49, 38a-51 to 38a-53, inclusive, as amended, 38a-56, 38a-  
408 76, 38a-321, 38a-334 to 38a-336a, inclusive, as amended, 38a-338, 38a-  
409 340 to 38a-343, inclusive, [38a-350,] 38a-363 to 38a-387, inclusive, as  
410 amended by this act, 38a-663 to 38a-666, inclusive, as amended by this  
411 act, 38a-669, 38a-671, 38a-675 to 38a-682, inclusive, as amended, 38a-  
412 790, as amended, 38a-792, as amended, 38a-806, as amended, 38a-815  
413 to 38a-819, inclusive, as amended, and 38a-828.

414 Sec. 20. Section 38a-317 of the general statutes is repealed and the  
415 following is substituted in lieu thereof:

416 A mobile homeowner shall be a homeowner for purposes of  
417 sections 38a-72 to 38a-75, inclusive, 38a-285, 38a-286, 38a-305 to 38a-  
418 318, inclusive, as amended, 38a-328, 38a-663 to [38a-697] 38a-696,  
419 inclusive, as amended, 38a-827 and 38a-894 to 38a-898, inclusive, as  
420 amended by this act, and homeowners policies as regulated  
421 [thereunder] under said sections shall be offered on the same terms to  
422 such an owner as to other homeowners, when [he] such mobile  
423 homeowner owns and occupies a mobile dwelling equipped for year-  
424 round living which is permanently attached to a permanent  
425 foundation on property owned or leased by [him] such mobile  
426 homeowner, is connected to utilities, is assessed as real property on the  
427 tax list of the town in which it is located and is in conformance with  
428 applicable state and local laws and ordinances.

429 Sec. 21. Section 38a-322 of the general statutes is repealed and the  
430 following is substituted in lieu thereof:

431 Binders or other contracts for temporary insurance may be made,  
432 orally or in writing, for a period which shall not exceed sixty days, and  
433 shall be deemed to include all the terms and applicable endorsements,  
434 approved by the commissioner, as are designated in the policy to  
435 which the binder applies. The clause of such policy specifying the hour  
436 of the day at which the insurance shall commence may be superseded  
437 by the express terms of such contract of temporary insurance. The

438 provisions of this section shall apply to any insurance policy which is  
439 subject to the provisions of sections 38a-663 to [38a-697] 38a-696,  
440 inclusive, as amended, except standard fire insurance policies and  
441 automobile liability insurance policies.

442 Sec. 22. Subsections (a) and (b) of section 38a-323 of the general  
443 statutes are repealed and the following is substituted in lieu thereof:

444 (a) On or after October 1, 1986, no insurer shall refuse to renew any  
445 policy which is subject to the requirements of sections 38a-663 to [38a-  
446 697] 38a-696, inclusive, as amended, unless such insurer or its agent  
447 shall send, by registered or certified mail or by mail evidenced by a  
448 certificate of mailing, or deliver to the named insured, at the address  
449 shown in the policy, at least sixty days' advance notice of its intention  
450 not to renew. The notice of intent not to renew shall state or be  
451 accompanied by a statement specifying the reason for such  
452 nonrenewal. This section shall not apply: (1) In case of nonpayment of  
453 premium; or (2) if the insured fails to pay any advance premium  
454 required by the insurer for renewal, provided, notwithstanding the  
455 failure of an insurer to comply with this subsection, with respect to  
456 automobile liability insurance policies the policy shall terminate on the  
457 effective date of any other insurance policy with respect to any  
458 automobile designated in both policies.

459 (b) (1) On or before September 30, 1987, a premium billing notice for  
460 any policy subject to the requirements of sections 38a-663 to [38a-697]  
461 38a-696, inclusive, as amended, except a workers' compensation policy,  
462 shall be mailed or delivered to the insured by the insurer or its agent  
463 not less than forty-five days in advance of the renewal date or the  
464 anniversary date of the policy. On or after October 1, 1987, such notice  
465 shall be so mailed or delivered to the insured not less than thirty days  
466 in advance of the policy's renewal or anniversary date, except that on  
467 or after October 1, 1998, such notice shall not be required for a  
468 commercial risk policy if the premium for the ensuing policy period is  
469 to increase less than ten per cent on an annual basis. The premium  
470 billing notice shall be based on the rates and rules applicable to the

471 ensuing policy period. The provisions of this subsection shall apply to  
472 any such policy for which the annual premium was less than fifty  
473 thousand dollars for the preceding annual policy period.

474 (2) For purposes of any commercial risk policy subject to the  
475 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
476 amended, except a workers' compensation policy, the mailing or  
477 delivery of a premium billing notice by an insurer's managing general  
478 agent, in accordance with the provisions of subdivision (1) of this  
479 subsection, shall constitute compliance by such insurer with said  
480 subdivision.

481 Sec. 23. Section 38a-347 of the general statutes is repealed and the  
482 following is substituted in lieu thereof:

483 (a) The Insurance Commissioner may [promulgate such reasonable  
484 regulations as he deems necessary] adopt regulations, in accordance  
485 with chapter 54, with regard to safe driver classification plans for  
486 automobile insurance policies issued or delivered in this state.

487 (b) [It is specifically provided that such] Such regulations shall  
488 provide for the establishment of an authority by the Insurance  
489 Commissioner to review, upon the request of an insured, an insurance  
490 company's action in assigning a point or points under any such safe  
491 driver classification plan and to determine whether such action is  
492 consistent with the terms of the plan and the provisions of sections  
493 38a-663 to [38a-697] 38a-696, inclusive, as amended.

494 Sec. 24. Subsection (a) of section 38a-551 of the general statutes is  
495 repealed and the following is substituted in lieu thereof:

496 (a) "Health insurance" means hospital and medical expenses  
497 incurred policies written on a direct basis, nonprofit service plan  
498 contracts, health care center contracts and self-insured or self-funded  
499 employee health benefit plans. The term "health insurance" for  
500 purposes of sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive,  
501 as amended, shall not include accident only policies, disability income

502 policies or coverages which are subject to regulation under sections  
503 38a-19, 38a-363 to 38a-388, inclusive, as amended by this act, and 38a-  
504 663 to [38a-697] 38a-696, inclusive, as amended.

505 Sec. 25. Section 38a-663 of the general statutes is repealed and the  
506 following is substituted in lieu thereof:

507 The following words and phrases, as used in sections 38a-663 to  
508 [38a-697] 38a-696, inclusive, as amended, shall have the following  
509 meanings unless the context otherwise requires:

510 (a) "Rating organization" means an individual, partnership,  
511 corporation, unincorporated association, other than an admitted  
512 insurer, whether located within or outside this state, who or which has  
513 as a primary object or purpose the making of rates, rating plans or  
514 rating systems. Two or more admitted insurers which act in concert for  
515 the purpose of making rates, rating plans or rating systems, and which  
516 do not operate within the specific authorizations contained in sections  
517 38a-667, 38a-669, 38a-670 and 38a-672 shall be deemed to be a rating  
518 organization. No single insurer shall be deemed to be a rating  
519 organization.

520 (b) "Advisory organization" means every group, association or other  
521 organization of insurers, whether located within or outside this state,  
522 which assists insurers or rating organizations in rate-making by the  
523 collection and furnishing of loss or expense statistics, or by the  
524 submission of recommendations, provided the term shall not include  
525 actuarial, legal or other consultants.

526 (c) "Member" means an insurer who participates in or is entitled to  
527 participate in the management of a rating, advisory or other  
528 organization.

529 (d) "Subscriber" means an insurer which is furnished at its request  
530 (1) with rates and rating manuals by a rating organization of which it  
531 is not a member, or (2) with advisory services by an advisory  
532 organization of which it is not a member.

533 (e) "Wilful" and "wilfully" in relation to an act or omission which  
534 constitutes a violation of sections 38a-663 to 38a-681, inclusive, as  
535 amended by this act, means with actual knowledge or belief that such  
536 act or omission constitutes such violation and with specific intent to  
537 commit such violation.

538 (f) "Market" means the interaction between buyers and sellers  
539 consisting of a product market component and a geographic market  
540 component, as determined by the commissioner in accordance with the  
541 provisions of subsection (b) of section 38a-687, as amended by this act.

542 (g) "Noncompetitive market" means a residual market or a market  
543 for which there is a ruling in effect pursuant to section 38a-687, as  
544 amended by this act, that a reasonable degree of competition does not  
545 exist.

546 (h) "Competitive market" means a market which has not been found  
547 to be noncompetitive pursuant to section 38a-687, as amended by this  
548 act.

549 (i) "Personal risk insurance" means homeowners, tenants, private  
550 passenger nonfleet automobile, mobile manufactured home and other  
551 property and casualty insurance for personal, family or household  
552 needs except workers' compensation insurance.

553 (j) "Commercial risk insurance" means insurance within the scope of  
554 sections 38a-663 to [38a-697] 38a-696, inclusive, as amended, which is  
555 not personal risk insurance.

556 (k) "Supplementary rate information" includes any manual or plan  
557 of rates, classification, rating schedule, minimum premium, rating rule,  
558 and any other similar information needed to determine the applicable  
559 rate in effect or to be in effect.

560 (l) "Supporting information" means (1) the experience and judgment  
561 of the filer and the experience or data of other insurers or  
562 organizations relied upon by the filer, (2) the interpretation of any

563 statistical data relied upon by the filer and (3) descriptions of methods  
564 used in making the rates, and other similar information required to be  
565 filed by the commissioner.

566 (m) "Residual market" means an arrangement for the provision of  
567 insurance in accordance with the provisions of section 38a-328, 38a-329  
568 or 38a-670.

569 Sec. 26. Subsection (a) of section 38a-675 of the general statutes is  
570 repealed and the following is substituted in lieu thereof:

571 (a) Every insurer, rating organization or advisory organization and  
572 every group, association or other organization of insurers which  
573 engages in joint underwriting or joint reinsurance shall maintain  
574 reasonable records, of the type and kind reasonably adapted to its  
575 method of operation, of its experience or the experience of its members  
576 and of the data, statistics or information collected or used by it in  
577 connection with the rates, rating plans, rating systems, underwriting  
578 rules, policy or bond forms, surveys or inspections made or used by it  
579 so that such records will be available at all reasonable times to enable  
580 the Insurance Commissioner to determine whether such organization,  
581 insurer, group or association, and, in the case of an insurer or rating  
582 organization, every rate, rating plan or rating system made or used by  
583 it, complies with the provisions of sections 38a-663 to [38a-697] 38a-  
584 696, inclusive, as amended, applicable to it. The maintenance of such  
585 records in the office of a licensed rating organization or advisory  
586 organization of which an insurer is a member or subscriber will be  
587 sufficient compliance with this section for any insurer maintaining  
588 membership or subscribership in such organization, to the extent that  
589 the insurer uses the rates, rating plans, rating systems or  
590 recommendations of such organization.

591 Sec. 27. Section 38a-676 of the general statutes is repealed and the  
592 following is substituted in lieu thereof:

593 (a) With respect to rates pertaining to commercial risk insurance,  
594 and subject to the provisions of subsection (b) of this section with

595 respect to workers' compensation and employers' liability insurance,  
596 on or before the effective date thereof, every admitted insurer shall  
597 submit to the Insurance Commissioner for [his] the commissioner's  
598 information, except as to inland marine risks which by general custom  
599 of the business are not written according to manual rates or rating  
600 plans, every manual of classifications, rules and rates, and every  
601 minimum, class rate, rating plan, rating schedule and rating system  
602 and any modification of the foregoing which it uses. Such submission  
603 by a licensed rating organization of which an insurer is a member or  
604 subscriber shall be sufficient compliance with this section for any  
605 insurer maintaining membership or subscribership in such  
606 organization, to the extent that the insurer uses the manuals,  
607 minimums, class rates, rating plans, rating schedules, rating systems,  
608 policy or bond forms of such organization. The information shall be  
609 open to public inspection after its submission.

610 (b) Each filing as described in subsection (a) of this section for  
611 workers' compensation or employers' liability insurance shall be on file  
612 with the Insurance Commissioner for a waiting period of thirty days  
613 before it becomes effective, which period may be extended by the  
614 commissioner for an additional period not to exceed thirty days if [he]  
615 the commissioner gives written notice within such waiting period to  
616 the insurer or rating organization which made the filing that [he] the  
617 commissioner needs such additional time for the consideration of such  
618 filing. Upon written application by such insurer or rating organization,  
619 the commissioner may authorize a filing which [he] the commissioner  
620 has reviewed to become effective before the expiration of the waiting  
621 period or any extension thereof. A filing shall be deemed to meet the  
622 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
623 amended, unless disapproved by the commissioner within the waiting  
624 period or any extension thereof. If, within the waiting period or any  
625 extension thereof, the commissioner finds that a filing does not meet  
626 the requirements of said sections, [he] the commissioner shall send to  
627 the insurer or rating organization which made such filing written  
628 notice of disapproval of such filing, specifying therein in what respects

629 [he] the commissioner finds such filing fails to meet the requirements  
630 of said sections and stating that such filing shall not become effective.  
631 Such finding of the commissioner shall be subject to review as  
632 provided in section 38a-19.

633 (c) The form of any insurance policy or contract the rates for which  
634 are subject to the provisions of sections 38a-663 to [38a-697] 38a-696,  
635 inclusive, as amended, other than fidelity, surety or guaranty bonds,  
636 and the form of any endorsement modifying such insurance policy or  
637 contract, shall be filed with the Insurance Commissioner prior to its  
638 issuance. The commissioner shall adopt regulations in accordance with  
639 the provisions of chapter 54 establishing a procedure for review of  
640 such policy or contract. If at any time the commissioner finds that any  
641 such policy, contract or endorsement is not in accordance with such  
642 provisions or any other provision of law, [he] the commissioner shall  
643 issue an order disapproving the issuance of such form and stating [his]  
644 the reasons therefor. The provisions of section 38a-19 shall apply to  
645 any such order issued by the commissioner.

646 Sec. 28. Section 38a-680 of the general statutes is repealed and the  
647 following is substituted in lieu thereof:

648 Any person, insurer, organization, group or association who fails to  
649 comply with the final order of the Insurance Commissioner pursuant  
650 to sections 38a-663 to [38a-697] 38a-676, inclusive, as amended, shall be  
651 fined not more than one thousand dollars, but if such failure be wilful,  
652 not more than ten thousand dollars, or imprisoned not more than one  
653 year or both. The commissioner shall collect the amount so payable  
654 and such penalties may be in addition to any other penalties provided  
655 by law.

656 Sec. 29. Subsection (e) of section 38a-687 of the general statutes is  
657 repealed and the following is substituted in lieu thereof:

658 (e) For the purpose of any hearing or investigation under sections  
659 38a-663 to [38a-697] 38a-696, inclusive, as amended, the commissioner  
660 or any officer designated by [him] the commissioner may administer

661 oaths and affirmations, subpoena witnesses, compel their attendance,  
662 receive oral and documentary evidence and require the production of  
663 any books, papers, correspondence, memoranda, agreements or other  
664 documents or records which the commissioner deems relevant or  
665 material to the inquiry.

666 Sec. 30. Subdivisions (2) to (4), inclusive, of subsection (a) of section  
667 38a-688 of the general statutes are repealed and the following is  
668 substituted in lieu thereof:

669 (2) In a noncompetitive market, every insurer shall file with the  
670 commissioner all rates and supplementary rate information for that  
671 market and such supporting information as is required by the  
672 commissioner. For purposes of subsection (d) of section 7-479e, as  
673 amended by this act, sections 38a-341, 38a-387, 38a-665, subsection (b)  
674 of section 38a-672, and sections 38a-673, 38a-675, as amended by this  
675 act, 38a-676, as amended by this act, and 38a-686 to 38a-694, inclusive,  
676 as amended by this act, residual markets, title insurance and credit  
677 property insurance are deemed to be noncompetitive markets. All  
678 rates and supplementary rate information and such supporting  
679 information as is required by the commissioner, shall also be filed with  
680 the commissioner for insurance provided pursuant to section 38a-328,  
681 38a-329 or 38a-670. Such rates and supplementary rate information and  
682 supporting information required by the commissioner shall be on file  
683 with the commissioner for a waiting period of thirty days before it  
684 becomes effective, which period may be extended by the commissioner  
685 for an additional period not to exceed thirty days if [he] the  
686 commissioner gives written notice within such waiting period to the  
687 insurer or rating organization which made the filing that [he] the  
688 commissioner needs such additional time for the consideration of such  
689 filing. Upon written application by such insurer or rating organization,  
690 the commissioner may authorize a filing which [he] the commissioner  
691 has reviewed to become effective before the expiration of the waiting  
692 period or any extension thereof. A filing shall be deemed to meet the  
693 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
694 amended, unless disapproved by the commissioner within the waiting

695 period or any extension thereof. If, within the waiting period or any  
696 extension thereof, the commissioner finds that a filing does not meet  
697 the requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
698 amended, [he] the commissioner shall send to the insurer or rating  
699 organization which made such filing written notice of disapproval of  
700 such filing, specifying therein in what respects [he] the commissioner  
701 finds such filing fails to meet the requirements of sections 38a-663 to  
702 [38a-697] 38a-696, inclusive, as amended, and stating that such filing  
703 shall not become effective. Such finding of the commissioner shall be  
704 subject to review as provided in section 38a-19.

705 (3) An insurer may file rates by reference, with or without deviation,  
706 to rates charged by another insurer which were filed and are in effect if  
707 the insurer's direct written premium for the applicable line of  
708 insurance is less than one-half of one per cent of the total state-wide  
709 direct written premium for that line, as determined from the annual  
710 statements filed by insurers licensed to do business in this state and as  
711 calculated by the National Association of Insurance Commissioners  
712 from its data base. Supporting information shall not be required for  
713 rates filed by reference pursuant to this subsection. For purposes of  
714 this subdivision the term "insurer" shall include two or more admitted  
715 insurers having a common ownership or operating in this state under  
716 common management or control.

717 (4) Rates filed pursuant to this section shall be filed in such form  
718 and manner as is prescribed by the commissioner. Whenever a filing  
719 made pursuant to subdivision (1) or (2) of subsection (a) of this section  
720 is not accompanied by the information upon which the insurer  
721 supports such filing and the commissioner does not have sufficient  
722 information to determine whether such filing meets the requirements  
723 of sections 38a-663 to [38a-697] 38a-696, inclusive, as amended, [he] the  
724 commissioner shall require such insurer to furnish the information  
725 upon which it supports such filing and in such event the waiting  
726 period shall commence as of the date such information is furnished.  
727 The information furnished in support of a filing may include (A) the  
728 experience or judgment of the insurer making the filing, (B) its

729 interpretation of any statistical data it relies upon, (C) the experience of  
730 other insurers or (D) any other relevant factors.

731 Sec. 31. Section 38a-692 of the general statutes is repealed and the  
732 following is substituted in lieu thereof:

733 The commissioner may on [his] the commissioner's own initiative or  
734 upon request of any person, issue a ruling, exempting any market from  
735 any or all of the provisions of subsection (d) of section 7-479e, as  
736 amended by this act, section 38a-341, subsection (a) of section 38a-343,  
737 sections 38a-358, 38a-387, 38a-663, as amended by this act, 38a-665,  
738 subsection (b) of section 38a-672, sections 38a-673, 38a-675, as amended  
739 by this act, 38a-676, as amended by this act, 38a-680, as amended by  
740 this act, 38a-686 to 38a-694, inclusive, as amended by this act, and  
741 subdivision (9) of section 38a-816, as amended, if and to the extent that  
742 [he] the commissioner finds their application unnecessary to achieve  
743 the purpose of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
744 amended.

745 Sec. 32. Section 38a-695 of the general statutes is repealed and the  
746 following is substituted in lieu thereof:

747 Whenever a filing is submitted by an insurer to the Insurance  
748 Commissioner to revise the rates or supplementary rate information  
749 applicable to any policy subject to the provisions of sections 38a-663 to  
750 [38a-697] 38a-696, inclusive, as amended, [it] the filing shall specify an  
751 effective date, provided the filing may specify separate effective dates  
752 for new business and renewal business. Such rates or supplementary  
753 rate information shall only apply to policies with an inception,  
754 continuation, or renewal effective date on or after the appropriate  
755 filing effective date, regardless of the date the policy is written, issued,  
756 processed or delivered. If either a coverage is changed or an exposure  
757 is added during the policy period, the insurer shall specify, at the time  
758 of the original filing, whether the applicable rates will be (1) the rates  
759 in effect at the beginning of the policy period, or (2) the rates in effect  
760 on the effective date of the change in coverage or the addition in

761 exposure. If the latter rates are specified, such rates shall apply only to  
762 the changed coverage or the added exposure.

763 Sec. 33. Section 38a-897 of the general statutes is repealed and the  
764 following is substituted in lieu thereof:

765 Notwithstanding the provisions of sections 38a-663 to [38a-697] 38a-  
766 696, inclusive, as amended, whenever the fund assesses insurers in  
767 accordance with sections 38a-894 to 38a-898, inclusive, each insurer  
768 shall charge an additional premium on every property insurance  
769 policy issued by it insuring property in this state the effective date of  
770 which policy is within the three-year period commencing ninety days  
771 after the date of assessment by the fund. The amount of the additional  
772 premium shall be calculated on the basis of a uniform percentage of  
773 the premiums on such policies equal to one-third of the ratio of the  
774 amount of an insurer's assessment to the amount of its direct earned  
775 premiums for the calendar year immediately preceding the year in  
776 which the assessment is made, such that over the period of three years  
777 the aggregate of all such additional premium charges by an insurer  
778 shall be equal to the amount of the assessment of such insurer. The  
779 minimum additional premium charge on a policy may be one dollar,  
780 and any other additional premium charge may be rounded to the  
781 nearest dollar. Any funds collected from these additional premium  
782 charges by an insurer, in excess of any assessment, shall be transmitted  
783 forthwith to the fund.

784 Sec. 34. Sections 38a-350 and 38a-697 of the general statutes are  
785 repealed.

**INS Committee Vote:** Yea 18 Nay 0 JFS