



General Assembly

January Session, 2001

Raised Bill No. 1060

LCO No. 2852

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

**AN ACT CONCERNING INSURANCE DATA REPORTING
REQUIREMENTS.**

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2 repealed and the following is substituted in lieu thereof: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 by this act, the division shall assist the commissioner in
10 reviewing rates and supplementary rate information filed with the
11 department for compliance with statutory requirements and
12 standards. The division's staff shall include rating examiners with
13 sufficient actuarial expertise. Upon the request of the commissioner,
14 the division shall review rates and supplementary rate information,
15 and any suspected violation of the statutory requirements and
16 standards of sections 38a-663 to [38a-697] 38a-696, inclusive, as

17 amended by this act, found pursuant to such review shall be referred
18 to the commissioner for appropriate action. The division may assist the
19 commissioner in formalizing [his] the commissioner's findings
20 regarding such actions. The commissioner shall report to the joint
21 standing committee of the General Assembly having cognizance of
22 matters relating to insurance on or before January 15, 1988, and
23 annually thereafter, concerning (1) the number and type of reviews
24 conducted by the division in the prior calendar year, and (2) the
25 percentage of increase or decrease in rates reviewed by the division
26 during the preceding calendar year, by line and subline of insurance, [,
27 and (3) instances of a filed rate found by the division to be a suspected
28 violation of statutory requirements and standards, and the basis for
29 each such finding.]

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 Section 38a-696 of the general statutes is repealed and the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

32 (a) For purposes of this section:

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

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

40 (b) [On] Annually, on or before June [1, 1988, and annually
41 thereafter] first, each company or company group writing commercial
42 risk insurance in this state shall submit to the Insurance Commissioner,
43 in a form required by the commissioner, a report showing its
44 commercial risk insurance writings and experience for the preceding
45 calendar year in this state and country-wide. [as provided herein.]
46 Such report shall be based on the coding of business to line and class in
47 accordance with currently filed and approved accounting rules and

48 statistical plans. Such report shall consist of the information required
49 by subsection (c) of this section for the following lines and classes of
50 insurance written by such company or company group: (1)
51 Commercial automobile insurance, personal injury protection; (2) other
52 commercial automobile insurance liability; (3) [products] product
53 liability insurance; (4) medical malpractice insurance; (5) other liability
54 insurance as follows: (A) Municipal liability, (B) liquor liability, and
55 (C) day care center liability; and (6) any other commercial liability line
56 described as such in the annual statement or any other class of
57 insurance designated by the commissioner. [after notice and hearing.]

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

81 credible data are unavailable.

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

85 ~~[(d)]~~ (e) The Insurance Commissioner shall annually compile and
86 summarize all reports submitted to [him] the commissioner pursuant
87 to subsection (b) of this section. The commissioner's compilation shall
88 be published and made available to any interested resident of this state
89 upon written request to the commissioner.

90 Sec. 3. Subsection (d) of section 7-479e of the general statutes is
91 repealed and the following is substituted in lieu thereof:

92 (d) Each such interlocal risk management pool and interlocal risk
93 management agency shall, except as specifically designated [herein] in
94 this section, be exempt from the provisions of the general statutes
95 relating to insurance. The sections of the general statutes applicable to
96 an interlocal risk management pool and interlocal risk management
97 agency shall be: Sections 38a-11, 38a-14, 38a-17 to 38a-19, inclusive,
98 38a-49, 38a-51 to 38a-53, inclusive, 38a-56, 38a-76, 38a-321, 38a-334 to
99 38a-336a, inclusive, 38a-338, 38a-340 to 38a-343, inclusive, [38a-350,]
100 38a-363 to 38a-387, inclusive, 38a-663 to 38a-666, inclusive, as amended
101 by this act, 38a-669, 38a-671, 38a-675 to 38a-682, inclusive, as amended
102 by this act, 38a-790, 38a-792, 38a-806, 38a-815 to 38a-819, inclusive, and
103 38a-828.

104 Sec. 4. Section 38a-317 of the general statutes is repealed and the
105 following is substituted in lieu thereof:

106 A mobile homeowner shall be a homeowner for purposes of
107 sections 38a-72 to 38a-75, inclusive, 38a-285, 38a-286, 38a-305 to 38a-
108 318, inclusive, as amended by this act, 38a-328, 38a-663 to [38a-697]
109 38a-696, inclusive, as amended by this act, 38a-827 and 38a-894 to 38a-
110 898, inclusive, as amended by this act, and homeowners policies as

111 regulated [thereunder] under said sections shall be offered on the same
112 terms to such an owner as to other homeowners, when [he] such
113 mobile homeowner owns and occupies a mobile dwelling equipped
114 for year-round living which is permanently attached to a permanent
115 foundation on property owned or leased by [him] such mobile
116 homeowner, is connected to utilities, is assessed as real property on the
117 tax list of the town in which it is located and is in conformance with
118 applicable state and local laws and ordinances.

119 Sec. 5. Section 38a-322 of the general statutes is repealed and the
120 following is substituted in lieu thereof:

121 Binders or other contracts for temporary insurance may be made,
122 orally or in writing, for a period which shall not exceed sixty days, and
123 shall be deemed to include all the terms and applicable endorsements,
124 approved by the commissioner, as are designated in the policy to
125 which the binder applies. The clause of such policy specifying the hour
126 of the day at which the insurance shall commence may be superseded
127 by the express terms of such contract of temporary insurance. The
128 provisions of this section shall apply to any insurance policy which is
129 subject to the provisions of sections 38a-663 to [38a-697] 38a-696,
130 inclusive, as amended by this act, except standard fire insurance
131 policies and automobile liability insurance policies.

132 Sec. 6. Subsections (a) and (b) of section 38a-323 of the general
133 statutes are repealed and the following is substituted in lieu thereof:

134 (a) On or after October 1, 1986, no insurer shall refuse to renew any
135 policy which is subject to the requirements of sections 38a-663 to [38a-
136 697] 38a-696, inclusive, as amended by this act, unless such insurer or
137 its agent shall send, by registered or certified mail or by mail
138 evidenced by a certificate of mailing, or deliver to the named insured,
139 at the address shown in the policy, at least sixty days' advance notice
140 of its intention not to renew. The notice of intent not to renew shall
141 state or be accompanied by a statement specifying the reason for such

142 nonrenewal. This section shall not apply: (1) In case of nonpayment of
143 premium; or (2) if the insured fails to pay any advance premium
144 required by the insurer for renewal, provided, notwithstanding the
145 failure of an insurer to comply with this subsection, with respect to
146 automobile liability insurance policies the policy shall terminate on the
147 effective date of any other insurance policy with respect to any
148 automobile designated in both policies.

149 (b) (1) On or before September 30, 1987, a premium billing notice for
150 any policy subject to the requirements of sections 38a-663 to [38a-697]
151 38a-696, inclusive, as amended by this act, except a workers'
152 compensation policy, shall be mailed or delivered to the insured by the
153 insurer or its agent not less than forty-five days in advance of the
154 renewal date or the anniversary date of the policy. On or after October
155 1, 1987, such notice shall be so mailed or delivered to the insured not
156 less than thirty days in advance of the policy's renewal or anniversary
157 date, except that on or after October 1, 1998, such notice shall not be
158 required for a commercial risk policy if the premium for the ensuing
159 policy period is to increase less than ten per cent on an annual basis.
160 The premium billing notice shall be based on the rates and rules
161 applicable to the ensuing policy period. The provisions of this
162 subsection shall apply to any such policy for which the annual
163 premium was less than fifty thousand dollars for the preceding annual
164 policy period.

165 (2) For purposes of any commercial risk policy subject to the
166 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as
167 amended by this act, except a workers' compensation policy, the
168 mailing or delivery of a premium billing notice by an insurer's
169 managing general agent, in accordance with the provisions of
170 subdivision (1) of this subsection, shall constitute compliance by such
171 insurer with said subdivision.

172 Sec. 7. Section 38a-347 of the general statutes is repealed and the
173 following is substituted in lieu thereof:

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

178 (b) [It is specifically provided that such] Such regulations shall
179 provide for the establishment of an authority by the Insurance
180 Commissioner to review, upon the request of an insured, an insurance
181 company's action in assigning a point or points under any such safe
182 driver classification plan and to determine whether such action is
183 consistent with the terms of the plan and the provisions of sections
184 38a-663 to [38a-697] 38a-696, inclusive, as amended by this act.

185 Sec. 8. Subsection (a) of section 38a-551 of the general statutes is
186 repealed and the following is substituted in lieu thereof:

187 (a) "Health insurance" means hospital and medical expenses
188 incurred policies written on a direct basis, nonprofit service plan
189 contracts, health care center contracts and self-insured or self-funded
190 employee health benefit plans. The term "health insurance" for
191 purposes of sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive,
192 shall not include accident only policies, disability income policies or
193 coverages which are subject to regulation under sections 38a-19, 38a-
194 363 to 38a-388, inclusive, and 38a-663 to [38a-697] 38a-696, inclusive, as
195 amended by this act.

196 Sec. 9. Section 38a-663 of the general statutes is repealed and the
197 following is substituted in lieu thereof:

198 The following words and phrases, as used in sections 38a-663 to
199 [38a-697] 38a-696, inclusive, as amended by this act, shall have the
200 following meanings unless the context otherwise requires:

201 (a) "Rating organization" means an individual, partnership,
202 corporation, unincorporated association, other than an admitted
203 insurer, whether located within or outside this state, who or which has

204 as a primary object or purpose the making of rates, rating plans or
205 rating systems. Two or more admitted insurers which act in concert for
206 the purpose of making rates, rating plans or rating systems, and which
207 do not operate within the specific authorizations contained in sections
208 38a-667, 38a-669, 38a-670 and 38a-672 shall be deemed to be a rating
209 organization. No single insurer shall be deemed to be a rating
210 organization.

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

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

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

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

229 (f) "Market" means the interaction between buyers and sellers
230 consisting of a product market component and a geographic market
231 component, as determined by the commissioner in accordance with the
232 provisions of subsection (b) of section 38a-687.

233 (g) "Noncompetitive market" means a residual market or a market

234 for which there is a ruling in effect pursuant to section 38a-687, as
235 amended by this act, that a reasonable degree of competition does not
236 exist.

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

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

244 (j) "Commercial risk insurance" means insurance within the scope of
245 sections 38a-663 to [38a-697] 38a-696, inclusive, as amended by this act,
246 which is not personal risk insurance.

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

251 (l) "Supporting information" means (1) the experience and judgment
252 of the filer and the experience or data of other insurers or
253 organizations relied upon by the filer, (2) the interpretation of any
254 statistical data relied upon by the filer, and (3) descriptions of methods
255 used in making the rates, and other similar information required to be
256 filed by the commissioner.

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

260 Sec. 10. Subsection (a) of section 38a-675 of the general statutes is
261 repealed and the following is substituted in lieu thereof:

262 (a) Every insurer, rating organization or advisory organization and

263 every group, association or other organization of insurers which
264 engages in joint underwriting or joint reinsurance shall maintain
265 reasonable records, of the type and kind reasonably adapted to its
266 method of operation, of its experience or the experience of its members
267 and of the data, statistics or information collected or used by it in
268 connection with the rates, rating plans, rating systems, underwriting
269 rules, policy or bond forms, surveys or inspections made or used by it
270 so that such records will be available at all reasonable times to enable
271 the Insurance Commissioner to determine whether such organization,
272 insurer, group or association, and, in the case of an insurer or rating
273 organization, every rate, rating plan or rating system made or used by
274 it, complies with the provisions of sections 38a-663 to [38a-697] 38a-
275 696, inclusive, as amended by this act, applicable to it. The
276 maintenance of such records in the office of a licensed rating
277 organization or advisory organization of which an insurer is a member
278 or subscriber will be sufficient compliance with this section for any
279 insurer maintaining membership or subscribership in such
280 organization, to the extent that the insurer uses the rates, rating plans,
281 rating systems or recommendations of such organization.

282 Sec. 11. Section 38a-676 of the general statutes is repealed and the
283 following is substituted in lieu thereof:

284 (a) With respect to rates pertaining to commercial risk insurance,
285 and subject to the provisions of subsection (b) of this section with
286 respect to workers' compensation and employers' liability insurance,
287 on or before the effective date thereof, every admitted insurer shall
288 submit to the Insurance Commissioner for [his] the commissioner's
289 information, except as to inland marine risks which by general custom
290 of the business are not written according to manual rates or rating
291 plans, every manual of classifications, rules and rates, and every
292 minimum, class rate, rating plan, rating schedule and rating system
293 and any modification of the foregoing which it uses. Such submission
294 by a licensed rating organization of which an insurer is a member or
295 subscriber shall be sufficient compliance with this section for any

296 insurer maintaining membership or subscribership in such
297 organization, to the extent that the insurer uses the manuals,
298 minimums, class rates, rating plans, rating schedules, rating systems,
299 policy or bond forms of such organization. The information shall be
300 open to public inspection after its submission.

301 (b) Each filing as described in subsection (a) of this section for
302 workers' compensation or employers' liability insurance shall be on file
303 with the Insurance Commissioner for a waiting period of thirty days
304 before it becomes effective, which period may be extended by the
305 commissioner for an additional period not to exceed thirty days if [he]
306 the commissioner gives written notice within such waiting period to
307 the insurer or rating organization which made the filing that [he] the
308 commissioner needs such additional time for the consideration of such
309 filing. Upon written application by such insurer or rating organization,
310 the commissioner may authorize a filing which [he] the commissioner
311 has reviewed to become effective before the expiration of the waiting
312 period or any extension thereof. A filing shall be deemed to meet the
313 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as
314 amended by this act, unless disapproved by the commissioner within
315 the waiting period or any extension thereof. If, within the waiting
316 period or any extension thereof, the commissioner finds that a filing
317 does not meet the requirements of said sections, [he] the commissioner
318 shall send to the insurer or rating organization which made such filing
319 written notice of disapproval of such filing, specifying therein in what
320 respects [he] the commissioner finds such filing fails to meet the
321 requirements of said sections and stating that such filing shall not
322 become effective. Such finding of the commissioner shall be subject to
323 review as provided in section 38a-19.

324 (c) The form of any insurance policy or contract the rates for which
325 are subject to the provisions of sections 38a-663 to [38a-697] 38a-696,
326 inclusive, as amended by this act, other than fidelity, surety or
327 guaranty bonds, and the form of any endorsement modifying such
328 insurance policy or contract, shall be filed with the Insurance

329 Commissioner prior to its issuance. The commissioner shall adopt
330 regulations in accordance with the provisions of chapter 54
331 establishing a procedure for review of such policy or contract. If at any
332 time the commissioner finds that any such policy, contract or
333 endorsement is not in accordance with such provisions or any other
334 provision of law, [he] the commissioner shall issue an order
335 disapproving the issuance of such form and stating [his] the reasons
336 [therefore] for disapproval. The provisions of section 38a-19 shall
337 apply to any such order issued by the commissioner.

338 Sec. 12. Section 38a-680 of the general statutes is repealed and the
339 following is substituted in lieu thereof:

340 Any person, insurer, organization, group or association who fails to
341 comply with the final order of the Insurance Commissioner pursuant
342 to sections 38a-663 to [38a-697] 38a-696, inclusive, as amended by this
343 act, shall be fined not more than one thousand dollars, but if such
344 failure be wilful, not more than ten thousand dollars, or imprisoned
345 not more than one year or both. The commissioner shall collect the
346 amount so payable and such penalties may be in addition to any other
347 penalties provided by law.

348 Sec. 13. Subsection (e) of section 38a-687 of the general statutes is
349 repealed and the following is substituted in lieu thereof:

350 (e) For the purpose of any hearing or investigation under sections
351 38a-663 to [38a-697] 38a-696, inclusive, as amended by this act, the
352 commissioner or any officer designated by [him] the commissioner
353 may administer oaths and affirmations, subpoena witnesses, compel
354 their attendance, receive oral and documentary evidence and require
355 the production of any books, papers, correspondence, memoranda,
356 agreements or other documents or records which the commissioner
357 deems relevant or material to the inquiry.

358 Sec. 14. Subdivisions (2) to (4), inclusive, of subsection (a) of section
359 38a-688 of the general statutes are repealed and the following is

360 substituted in lieu thereof:

361 (2) In a noncompetitive market, every insurer shall file with the
362 commissioner all rates and supplementary rate information for that
363 market and such supporting information as is required by the
364 commissioner. For purposes of subsection (d) of section 7-479e, as
365 amended by this act, sections 38a-341, 38a-387, 38a-665, subsection (b)
366 of section 38a-672, and sections 38a-673, 38a-675, as amended by this
367 act, 38a-676, as amended by this act, and 38a-686 to 38a-694, inclusive,
368 as amended by this act, residual markets, title insurance and credit
369 property insurance are deemed to be noncompetitive markets. All
370 rates and supplementary rate information and such supporting
371 information as is required by the commissioner, shall also be filed with
372 the commissioner for insurance provided pursuant to section 38a-328,
373 38a-329 or 38a-670. Such rates and supplementary rate information and
374 supporting information required by the commissioner shall be on file
375 with the commissioner for a waiting period of thirty days before it
376 becomes effective, which period may be extended by the commissioner
377 for an additional period not to exceed thirty days if [he] the
378 commissioner gives written notice within such waiting period to the
379 insurer or rating organization which made the filing that [he] the
380 commissioner needs such additional time for the consideration of such
381 filing. Upon written application by such insurer or rating organization,
382 the commissioner may authorize a filing which [he] the commissioner
383 has reviewed to become effective before the expiration of the waiting
384 period or any extension thereof. A filing shall be deemed to meet the
385 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as
386 amended by this act, unless disapproved by the commissioner within
387 the waiting period or any extension thereof. If, within the waiting
388 period or any extension thereof, the commissioner finds that a filing
389 does not meet the requirements of sections 38a-663 to [38a-697] 38a-
390 696, inclusive, as amended by this act, [he] the commissioner shall
391 send to the insurer or rating organization which made such filing
392 written notice of disapproval of such filing, specifying therein in what

393 respects [he] the commissioner finds such filing fails to meet the
394 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as
395 amended by this act, and stating that such filing shall not become
396 effective. Such finding of the commissioner shall be subject to review
397 as provided in section 38a-19.

398 (3) An insurer may file rates by reference, with or without deviation,
399 to rates charged by another insurer which were filed and are in effect if
400 the insurer's direct written premium for the applicable line of
401 insurance is less than one-half of one per cent of the total state-wide
402 direct written premium for that line, as determined from the annual
403 statements filed by insurers licensed to do business in this state and as
404 calculated by the National Association of Insurance Commissioners
405 from its data base. Supporting information shall not be required for
406 rates filed by reference pursuant to this subsection. For purposes of
407 this subdivision the term "insurer" shall include two or more admitted
408 insurers having a common ownership or operating in this state under
409 common management or control.

410 (4) Rates filed pursuant to this section shall be filed in such form
411 and manner as is prescribed by the commissioner. Whenever a filing
412 made pursuant to subdivision (1) or (2) of subsection (a) of this section
413 is not accompanied by the information upon which the insurer
414 supports such filing and the commissioner does not have sufficient
415 information to determine whether such filing meets the requirements
416 of sections 38a-663 to [38a-697] 38a-696, inclusive, as amended by this
417 act, [he] the commissioner shall require such insurer to furnish the
418 information upon which it supports such filing and in such event the
419 waiting period shall commence as of the date such information is
420 furnished. The information furnished in support of a filing may
421 include (A) the experience or judgment of the insurer making the
422 filing, (B) its interpretation of any statistical data it relies upon, (C) the
423 experience of other insurers, or (D) any other relevant factors.

424 Sec. 15. Section 38a-692 of the general statutes is repealed and the

425 following is substituted in lieu thereof:

426 The commissioner may on [his] the commissioner's own initiative or
427 upon request of any person, issue a ruling, exempting any market from
428 any or all of the provisions of subsection (d) of section 7-479e, as
429 amended by this act, section 38a-341, subsection (a) of section 38a-343,
430 sections 38a-358, 38a-387, 38a-663, as amended by this act, 38a-665,
431 subsection (b) of section 38a-672, sections 38a-673, 38a-675, as amended
432 by this act, 38a-676, as amended by this act, 38a-680, as amended by
433 this act, 38a-686 to 38a-694, inclusive, as amended by this act, and
434 subdivision (9) of section 38a-816, if and to the extent that [he] the
435 commissioner finds their application unnecessary to achieve the
436 purpose of sections 38a-663 to [38a-697] 38a-696, inclusive, as amended
437 by this act.

438 Sec. 16. Section 38a-695 of the general statutes is repealed and the
439 following is substituted in lieu thereof:

440 Whenever a filing is submitted by an insurer to the Insurance
441 Commissioner to revise the rates or supplementary rate information
442 applicable to any policy subject to the provisions of sections 38a-663 to
443 [38a-697] 38a-696, inclusive, as amended by this act, [it] the filing shall
444 specify an effective date, provided the filing may specify separate
445 effective dates for new business and renewal business. Such rates or
446 supplementary rate information shall only apply to policies with an
447 inception, continuation, or renewal effective date on or after the
448 appropriate filing effective date, regardless of the date the policy is
449 written, issued, processed or delivered. If either a coverage is changed
450 or an exposure is added during the policy period, the insurer shall
451 specify, at the time of the original filing, whether the applicable rates
452 will be (1) the rates in effect at the beginning of the policy period, or (2)
453 the rates in effect on the effective date of the change in coverage or the
454 addition in exposure. If the latter rates are specified, such rates shall
455 apply only to the changed coverage or the added exposure.

456 Sec. 17. Section 38a-897 of the general statutes is repealed and the
457 following is substituted in lieu thereof:

458 Notwithstanding the provisions of sections 38a-663 to [38a-697] 38a-
459 696, inclusive, as amended by this act, whenever the fund assesses
460 insurers in accordance with sections 38a-894 to 38a-898, inclusive, each
461 insurer shall charge an additional premium on every property
462 insurance policy issued by it insuring property in this state the
463 effective date of which policy is within the three-year period
464 commencing ninety days after the date of assessment by the fund. The
465 amount of the additional premium shall be calculated on the basis of a
466 uniform percentage of the premiums on such policies equal to one-
467 third of the ratio of the amount of an insurer's assessment to the
468 amount of its direct earned premiums for the calendar year
469 immediately preceding the year in which the assessment is made, such
470 that over the period of three years the aggregate of all such additional
471 premium charges by an insurer shall be equal to the amount of the
472 assessment of such insurer. The minimum additional premium charge
473 on a policy may be one dollar, and any other additional premium
474 charge may be rounded to the nearest dollar. Any funds collected from
475 these additional premium charges by an insurer, in excess of any
476 assessment, shall be transmitted forthwith to the fund.

477 Sec. 18. Sections 38a-350 and 38a-697 of the general statutes are
478 repealed.

Statement of Purpose:

To update the property and casualty insurance data reporting requirements in order to revise or eliminate requirements made obsolete due to changes in technology, statute and the insurance marketplace, and to make corresponding technical changes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

INS *Joint Favorable*