



General Assembly

Amendment

January Session, 2001

LCO No. 6993

Offered by:
SEN. BOZEK, 6th Dist.

To: Subst. Senate Bill No. 1354 File No. 232 Cal. No. 205

**"AN ACT CONCERNING NOTICE OF RATE INCREASES FOR
MEDICARE SUPPLEMENT INSURANCE AND OTHER HEALTH
INSURANCE."**

1 After line 56, add the following:

2 "Sec. 4. Subsection (c) of section 38a-9 of the general statutes is
3 repealed and the following is substituted in lieu thereof:

4 (c) Notwithstanding the provisions of section 4-8, there shall be a
5 Division of Rate Review within the Insurance Department, which
6 division shall act on the commissioner's behalf and at [his] the
7 commissioner's direction in order to carry out [his] the commissioner's
8 responsibilities under this title with respect to such matters. Subject to
9 the provisions of sections 38a-663 to [38a-697] 38a-696, inclusive, as
10 amended by this act, the division shall assist the commissioner in
11 reviewing rates and supplementary rate information filed with the
12 department for compliance with statutory requirements and
13 standards. The division's staff shall include rating examiners with
14 sufficient actuarial expertise. Upon the request of the commissioner,

15 the division shall review rates and supplementary rate information,
16 and any suspected violation of the statutory requirements and
17 standards of sections 38a-663 to [38a-697] 38a-696, inclusive, as
18 amended by this act, found pursuant to such review shall be referred
19 to the commissioner for appropriate action. The division may assist the
20 commissioner in formalizing [his] the commissioner's findings
21 regarding such actions. The commissioner shall report to the joint
22 standing committee of the General Assembly having cognizance of
23 matters relating to insurance on or before January 15, 1988, and
24 annually thereafter, concerning (1) the number and type of reviews
25 conducted by the division in the prior calendar year, and (2) the
26 percentage of increase or decrease in rates reviewed by the division
27 during the preceding calendar year, by line and subline of insurance. [,
28 and (3) instances of a filed rate found by the division to be a suspected
29 violation of statutory requirements and standards, and the basis for
30 each such finding.]

31 Sec. 5. Section 38a-696 of the general statutes is repealed and the
32 following is substituted in lieu thereof:

33 (a) For purposes of this section:

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

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

41 (b) [On] Annually, on or before June [1, 1988, and annually
42 thereafter] first, each company or company group writing commercial
43 risk insurance in this state shall submit to the Insurance Commissioner,
44 in a form required by the commissioner, a report showing its
45 commercial risk insurance writings and experience for the preceding

46 calendar year in this state and country-wide. [as provided herein.]
47 Such report shall be based on the coding of business to line and class in
48 accordance with currently filed and approved accounting rules and
49 statistical plans. Such report shall consist of the information required
50 by subsection (c) of this section for the following lines and classes of
51 insurance written by such company or company group: (1)
52 Commercial automobile insurance, personal injury protection; (2) other
53 commercial automobile insurance liability; (3) [products] product
54 liability insurance; (4) medical malpractice insurance; (5) other liability
55 insurance as follows: (A) Municipal liability, (B) liquor liability, and
56 (C) day care center liability; and (6) any other commercial liability line
57 described as such in the annual statement or any other class of
58 insurance designated by the commissioner. [after notice and hearing.]

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

80 taxes, using appropriate estimates where necessary; and (10) net
81 income.] For purposes of this subsection, estimates may be used where
82 credible data are unavailable.

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

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

91 Sec. 6. Subsection (d) of section 7-479e of the general statutes is
92 repealed and the following is substituted in lieu thereof:

93 (d) Each such interlocal risk management pool and interlocal risk
94 management agency shall, except as specifically designated [herein] in
95 this section, be exempt from the provisions of the general statutes
96 relating to insurance. The sections of the general statutes applicable to
97 an interlocal risk management pool and interlocal risk management
98 agency shall be: Sections 38a-11, 38a-14, 38a-17 to 38a-19, inclusive,
99 38a-49, 38a-51 to 38a-53, inclusive, 38a-56, 38a-76, 38a-321, 38a-334 to
100 38a-336a, inclusive, 38a-338, 38a-340 to 38a-343, inclusive, [38a-350],
101 38a-363 to 38a-387, inclusive, 38a-663 to 38a-666, inclusive, as amended
102 by this act, 38a-669, 38a-671, 38a-675 to 38a-682, inclusive, as amended
103 by this act, 38a-790, 38a-792, 38a-806, 38a-815 to 38a-819, inclusive, and
104 38a-828.

105 Sec. 7. Section 38a-317 of the general statutes is repealed and the
106 following is substituted in lieu thereof:

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

111 898, inclusive, as amended by this act, and homeowners policies as
112 regulated [thereunder] under said sections shall be offered on the same
113 terms to such an owner as to other homeowners, when [he] such
114 mobile homeowner owns and occupies a mobile dwelling equipped
115 for year-round living which is permanently attached to a permanent
116 foundation on property owned or leased by [him] such mobile
117 homeowner, is connected to utilities, is assessed as real property on the
118 tax list of the town in which it is located and is in conformance with
119 applicable state and local laws and ordinances.

120 Sec. 8. Section 38a-322 of the general statutes is repealed and the
121 following is substituted in lieu thereof:

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

133 Sec. 9. Subsections (a) and (b) of section 38a-323 of the general
134 statutes are repealed and the following is substituted in lieu thereof:

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

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

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

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

173 Sec. 10. Section 38a-347 of the general statutes is repealed and the
174 following is substituted in lieu thereof:

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

179 (b) [It is specifically provided that such] Such regulations shall
180 provide for the establishment of an authority by the Insurance
181 Commissioner to review, upon the request of an insured, an insurance
182 company's action in assigning a point or points under any such safe
183 driver classification plan and to determine whether such action is
184 consistent with the terms of the plan and the provisions of sections
185 38a-663 to [38a-697] 38a-696, inclusive, as amended by this act.

186 Sec. 11. Subsection (a) of section 38a-551 of the general statutes is
187 repealed and the following is substituted in lieu thereof:

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

197 Sec. 12. Section 38a-663 of the general statutes is repealed and the
198 following is substituted in lieu thereof:

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

202 (a) "Rating organization" means an individual, partnership,
203 corporation, unincorporated association, other than an admitted
204 insurer, whether located within or outside this state, who or which has
205 as a primary object or purpose the making of rates, rating plans or

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

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

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

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

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

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

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

237 exist.

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

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

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

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

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

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

261 Sec. 13. Subsection (a) of section 38a-675 of the general statutes is
262 repealed and the following is substituted in lieu thereof:

263 (a) Every insurer, rating organization or advisory organization and
264 every group, association or other organization of insurers which
265 engages in joint underwriting or joint reinsurance shall maintain
266 reasonable records, of the type and kind reasonably adapted to its

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

283 Sec. 14. Section 38a-676 of the general statutes is repealed and the
284 following is substituted in lieu thereof:

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

300 policy or bond forms of such organization. The information shall be
301 open to public inspection after its submission.

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

325 (c) The form of any insurance policy or contract the rates for which
326 are subject to the provisions of sections 38a-663 to [38a-697] 38a-696,
327 inclusive, as amended by this act, other than fidelity, surety or
328 guaranty bonds, and the form of any endorsement modifying such
329 insurance policy or contract, shall be filed with the Insurance
330 Commissioner prior to its issuance. The commissioner shall adopt
331 regulations in accordance with the provisions of chapter 54
332 establishing a procedure for review of such policy or contract. If at any

333 time the commissioner finds that any such policy, contract or
334 endorsement is not in accordance with such provisions or any other
335 provision of law, [he] the commissioner shall issue an order
336 disapproving the issuance of such form and stating [his] the reasons
337 [therefore] for disapproval. The provisions of section 38a-19 shall
338 apply to any such order issued by the commissioner.

339 Sec. 15. Section 38a-680 of the general statutes is repealed and the
340 following is substituted in lieu thereof:

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

349 Sec. 16. Subsection (e) of section 38a-687 of the general statutes is
350 repealed and the following is substituted in lieu thereof:

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

359 Sec. 17. Subdivisions (2) to (4), inclusive, of subsection (a) of section
360 38a-688 of the general statutes are repealed and the following is
361 substituted in lieu thereof:

362 (2) In a noncompetitive market, every insurer shall file with the
363 commissioner all rates and supplementary rate information for that

364 market and such supporting information as is required by the
365 commissioner. For purposes of subsection (d) of section 7-479e, as
366 amended by this act, sections 38a-341, 38a-387, 38a-665, subsection (b)
367 of section 38a-672, and sections 38a-673, 38a-675, as amended by this
368 act, 38a-676, as amended by this act, and 38a-686 to 38a-694, inclusive,
369 as amended by this act, residual markets, title insurance and credit
370 property insurance are deemed to be noncompetitive markets. All
371 rates and supplementary rate information and such supporting
372 information as is required by the commissioner, shall also be filed with
373 the commissioner for insurance provided pursuant to section 38a-328,
374 38a-329 or 38a-670. Such rates and supplementary rate information and
375 supporting information required by the commissioner shall be on file
376 with the commissioner for a waiting period of thirty days before it
377 becomes effective, which period may be extended by the commissioner
378 for an additional period not to exceed thirty days if [he] the
379 commissioner gives written notice within such waiting period to the
380 insurer or rating organization which made the filing that [he] the
381 commissioner needs such additional time for the consideration of such
382 filing. Upon written application by such insurer or rating organization,
383 the commissioner may authorize a filing which [he] the commissioner
384 has reviewed to become effective before the expiration of the waiting
385 period or any extension thereof. A filing shall be deemed to meet the
386 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as
387 amended by this act, unless disapproved by the commissioner within
388 the waiting period or any extension thereof. If, within the waiting
389 period or any extension thereof, the commissioner finds that a filing
390 does not meet the requirements of sections 38a-663 to [38a-697] 38a-
391 696, inclusive, as amended by this act, [he] the commissioner shall
392 send to the insurer or rating organization which made such filing
393 written notice of disapproval of such filing, specifying therein in what
394 respects [he] the commissioner finds such filing fails to meet the
395 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as
396 amended by this act, and stating that such filing shall not become
397 effective. Such finding of the commissioner shall be subject to review
398 as provided in section 38a-19.

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

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

425 Sec. 18. Section 38a-692 of the general statutes is repealed and the
426 following is substituted in lieu thereof:

427 The commissioner may on [his] the commissioner's own initiative or
428 upon request of any person, issue a ruling, exempting any market from
429 any or all of the provisions of subsection (d) of section 7-479e, as
430 amended by this act, section 38a-341, subsection (a) of section 38a-343,
431 sections 38a-358, 38a-387, 38a-663, as amended by this act, 38a-665,

432 subsection (b) of section 38a-672, sections 38a-673, 38a-675, as amended
433 by this act, 38a-676, as amended by this act, 38a-680, as amended by
434 this act, 38a-686 to 38a-694, inclusive, as amended by this act, and
435 subdivision (9) of section 38a-816, if and to the extent that [he] the
436 commissioner finds their application unnecessary to achieve the
437 purpose of sections 38a-663 to [38a-697] 38a-696, inclusive, as amended
438 by this act.

439 Sec. 19. Section 38a-695 of the general statutes is repealed and the
440 following is substituted in lieu thereof:

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

457 Sec. 20. Section 38a-897 of the general statutes is repealed and the
458 following is substituted in lieu thereof:

459 Notwithstanding the provisions of sections 38a-663 to [38a-697] 38a-
460 696, inclusive, as amended by this act, whenever the fund assesses
461 insurers in accordance with sections 38a-894 to 38a-898, inclusive, each
462 insurer shall charge an additional premium on every property
463 insurance policy issued by it insuring property in this state the

464 effective date of which policy is within the three-year period
465 commencing ninety days after the date of assessment by the fund. The
466 amount of the additional premium shall be calculated on the basis of a
467 uniform percentage of the premiums on such policies equal to one-
468 third of the ratio of the amount of an insurer's assessment to the
469 amount of its direct earned premiums for the calendar year
470 immediately preceding the year in which the assessment is made, such
471 that over the period of three years the aggregate of all such additional
472 premium charges by an insurer shall be equal to the amount of the
473 assessment of such insurer. The minimum additional premium charge
474 on a policy may be one dollar, and any other additional premium
475 charge may be rounded to the nearest dollar. Any funds collected from
476 these additional premium charges by an insurer, in excess of any
477 assessment, shall be transmitted forthwith to the fund.

478 Sec. 21. Sections 38a-350 and 38a-697 of the general statutes are
479 repealed."