



General Assembly

Amendment

February Session, 2006

LCO No. 4000

HB0546204000HDO

Offered by:

REP. O'CONNOR, 35th Dist.

SEN. CRISCO, 17th Dist.

To: Subst. House Bill No. 5462

File No. 20

Cal. No. 46

**"AN ACT CONCERNING TRANSFER OF INSURANCE POLICIES
TO AFFILIATE INSURERS."**

1 Strike section 2 in its entirety and substitute the following in lieu
2 thereof:

3 "Sec. 2. Subsections (a) and (b) of section 38a-323 of the general
4 statutes are repealed and the following is substituted in lieu thereof
5 (*Effective October 1, 2006*):

6 (a) No insurer shall refuse to renew any policy which is subject to
7 the requirements of sections 38a-663 to 38a-696, inclusive, unless such
8 insurer or its agent sends, by registered or certified mail or by mail
9 evidenced by a certificate of mailing, or delivers to the named insured,
10 at the address shown in the policy, at least sixty days' advance notice
11 of its intention not to renew. The notice of intent not to renew shall
12 state or be accompanied by a statement specifying the reason for such
13 nonrenewal. This section shall not apply: (1) In case of nonpayment of
14 premium; [or] (2) if the insured fails to pay any advance premium

15 required by the insurer for renewal, provided, notwithstanding the
16 failure of an insurer to comply with this subsection, with respect to
17 automobile liability insurance policies the policy shall terminate on the
18 effective date of any other insurance policy with respect to any
19 automobile designated in both policies; or (3) if the policy is
20 transferred from the insurer to an affiliate of such insurer for another
21 policy with no interruption of coverage and contains the same terms,
22 conditions and provisions, including policy limits, as the transferred
23 policy, except that the insurer to which the policy is transferred shall
24 not be prohibited from applying its rates and rating plans at the time
25 of renewal. With respect to an automobile or homeowners policy, each
26 insurer that sends or delivers a notice of nonrenewal pursuant to this
27 subsection shall use the same method to send or deliver such notice to
28 any third party designated pursuant to section 38a-323a.

29 (b) (1) On or before September 30, 1987, a premium billing notice for
30 any policy subject to the requirements of sections 38a-663 to 38a-696,
31 inclusive, except a workers' compensation policy, shall be mailed or
32 delivered to the insured by the insurer or its agent not less than forty-
33 five days in advance of the renewal date or the anniversary date of the
34 policy. On or after October 1, 1987, such notice shall be so mailed or
35 delivered to the insured not less than thirty days in advance of the
36 policy's renewal or anniversary date, except that on or after October 1,
37 1998, such notice shall not be required for a commercial risk policy if
38 the premium for the ensuing policy period is to increase less than ten
39 per cent on an annual basis. The premium billing notice shall be based
40 on the rates and rules applicable to the ensuing policy period and shall
41 include a notice of transfer when the policy has been transferred from
42 an insurer to an affiliate of such insurer pursuant to the provisions of
43 subdivision (3) of subsection (a) of this section. The provisions of this
44 subsection shall apply to any such policy for which the annual
45 premium was less than fifty thousand dollars for the preceding annual
46 policy period.

47 (2) For purposes of any commercial risk policy subject to the
48 requirements of sections 38a-663 to 38a-696, inclusive, except a

49 workers' compensation policy, the mailing or delivery of a premium
50 billing notice by an insurer's managing general agent, in accordance
51 with the provisions of subdivision (1) of this subsection, shall
52 constitute compliance by such insurer with said subdivision."

53 In lines 70 and 85, after "policy" and before the period insert the
54 following:

55 ", except that the insurer to which the policy is transferred shall not
56 be prohibited from applying its rates and rating plans at the time of
57 renewal"