



House of Representatives

File No. 823

General Assembly

January Session, 2007

(Reprint of File Nos. 263 and 678)

Substitute House Bill No. 7300
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 11, 2007

***AN ACT ESTABLISHING MEASURES TO MITIGATE CATASTROPHIC
LOSSES DUE TO HURRICANES AND SEVERE STORMS.***

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

1 Section 1. (NEW) (*Effective January 1, 2008*) No insurer that delivers,
2 issues for delivery, renews, amends or endorses a homeowners
3 insurance policy in this state shall refuse to renew or issue such a
4 policy solely on the basis that the insured or prospective insured has
5 failed to install permanent storm shutters on his or her residential
6 dwelling as a means of mitigating loss from hurricanes or other severe
7 storms.

8 Sec. 2. (NEW) (*Effective January 1, 2008*) Each insurer that delivers,
9 issues for delivery, renews, amends or endorses in this state a
10 homeowners insurance policy for a residential dwelling shall offer a
11 premium discount on any such policy to any homeowner who submits
12 to such insurer proof of installation of permanent storm shutters or
13 impact-resistant glass on his or her dwelling as a means of mitigating
14 loss from hurricanes or other severe storms. Such discount shall be
15 based on sound actuarial principles and shall be applicable to

16 premium charges for any such policy delivered, issued for delivery,
17 renewed, amended or endorsed on or after January 1, 2008.

18 Sec. 3. (NEW) (*Effective from passage*) (a) The Insurance
19 Commissioner may establish a Coastal Market Assistance program to
20 assist homeowners to obtain homeowners insurance for their
21 residential dwellings located in proximity to the coastal area of the
22 state. Such program may consist of a network of participating insurers
23 and insurance producers that act on a voluntary basis and operate
24 under the auspices of the commissioner to provide such assistance to
25 homeowners. The commissioner may require any insurer that declines
26 to issue or renew a homeowners insurance policy to provide notice, in
27 writing, to the affected applicant or insured of the existence of such
28 program.

29 (b) The commissioner may adopt regulations, in accordance with
30 chapter 54 of the general statutes, to implement the provisions of this
31 section.

32 Sec. 4. Section 38a-317 of the general statutes is repealed and the
33 following is substituted in lieu thereof (*Effective from passage*):

34 A mobile homeowner shall be a homeowner for purposes of
35 sections 38a-72 to 38a-75, inclusive, 38a-285, 38a-305 to 38a-318,
36 inclusive, 38a-328, 1 to 3, inclusive, of this act, 38a-663 to 38a-696,
37 inclusive, 38a-827 and 38a-894 to 38a-898, inclusive, and homeowners
38 policies as regulated under said sections shall be offered on the same
39 terms to such an owner as to other homeowners, when such mobile
40 homeowner owns and occupies a mobile dwelling equipped for year-
41 round living which is permanently attached to a permanent
42 foundation on property owned or leased by such mobile homeowner,
43 is connected to utilities, is assessed as real property on the tax list of
44 the town in which it is located and is in conformance with applicable
45 state and local laws and ordinances.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2008</i>	New section
Sec. 2	<i>January 1, 2008</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	38a-317

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Revenue Services	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill mandates insurers to offer an actuarially sound discount on policy premiums charged to a homeowner who submits evidence of installing permanent storm shutters, impact resistant glass. This may result in a General Fund revenue loss to the degree that it affects taxes paid by insurers paid on premiums. However, the amount of the loss cannot be determined because the number of policies that will be affected is not known.

House "A" changes the effective date for the insurance company prohibition and premium discount requirements as well as other minor changes that have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7300 (as amended by House "A")******AN ACT ESTABLISHING MEASURES TO MITIGATE
CATASTROPHIC LOSSES DUE TO HURRICANES AND SEVERE
STORMS.*****SUMMARY:**

This bill:

1. prohibits an insurer from refusing to issue or renew a homeowners insurance policy solely because a person has not installed permanent storm shutters on his or her home to mitigate loss from hurricanes and other severe storms;
2. requires an insurer, starting January 1, 2008, to offer an actuarially sound premium discount to homeowners who install permanent storm shutters or impact-resistant glass to mitigate loss from hurricanes and other severe storms;
3. authorizes the insurance commissioner to establish and adopt regulations for a Coastal Market Assistance Program (CMAP) to help coastal-area residents obtain homeowners insurance;
4. permits the commissioner to require an insurer that does not issue or renew a homeowners policy to tell the homeowner in writing about CMAP; and
5. includes certain owners of mobile dwellings as homeowners for purposes of its provisions.

*House Amendment "A":

1. changes the effective date for the insurance company

prohibition and premium discount requirements to January 1, 2008 instead of on passage;

2. specifies that insurers must offer a premium discount to homeowners who install permanent storm shutters or impact-resistant glass as a means of mitigating loss from hurricanes or other severe storms, instead of homeowners who install the shutters, glass, or both; and
3. replaces a requirement that insurers give notice of CMAP when they do not issue or renew a policy with a provision allowing the insurance commissioner to require such insurers to give notice of CMAP.

EFFECTIVE DATE: Upon passage, except for the insurer prohibition and premium discount provisions, which are effective January 1, 2008.

MOBILE HOMEOWNER

In applying its requirements, the bill includes as a homeowner a person who owns and occupies a mobile dwelling that is (1) equipped for year-round living, (2) permanently attached to a foundation on property the person owns or leases, (3) connected to utilities, (4) assessed as real property for tax purposes, and (5) in conformance with state and local laws and ordinances.

CMAP

Under the bill, the purpose of CMAP is to help homeowners find insurance for residential dwellings located near the state's coastal area. The bill permits CMAP to consist of a voluntary network of participating insurers and insurance producers that operates under the insurance commissioner's guidance to assist homeowners. It permits the commissioner to adopt implementing regulations.

BACKGROUND

Legislative History

The House referred the bill (File 263) to the Finance, Revenue and

Bonding Committee, which reported a substitute favorably, eliminating the prior bill's sales tax exemption for storm shutters, shingles, seals, and soffits.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 14 Nay 5 (03/13/2007)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 38 Nay 15 (04/17/2007)