



General Assembly

January Session, 2009

Committee Bill No. 5441

LCO No. 4105

04105HB05441INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING CERTAIN DAMAGE CLAIM PAYMENTS FOR MOTOR VEHICLES.

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

1 Section 1. Section 38a-352 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 [All] (a) Except as provided in subsection (b) of this section, all
4 claims paid by an insurer, a holding company of an insurer or a wholly
5 owned subsidiary of an insurer for any loss to a motor [vehicles]
6 vehicle or any claim for damages to a motor [vehicles,] vehicle shall be
7 paid to the claimant by check, electronic transfer [to the claimant] or
8 other means that provide the claimant immediate access to the funds.

9 (b) Any claim paid by an insurer, a holding company of an insurer
10 or a wholly owned subsidiary of an insurer for any loss to a motor
11 vehicle or any claim for damages to a motor vehicle wherein the motor
12 vehicle that is the subject of such claim is financed through a recourse
13 loan shall be paid to the lienholder of such loan by check, electronic
14 transfer or other means that provide such lienholder immediate access
15 to the funds. For the purposes of this section, "recourse loan" means a

16 loan for which a dealer, as defined in subdivision (22) of section 14-1, is
17 liable for payment in the event the borrower defaults.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2009	38a-352

Statement of Purpose:

To require payment of an auto insurance policy claim to a lienholder rather than the claimant if the motor vehicle that is the subject of such claim is financed through a recourse loan.

[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.]

Co-Sponsors: REP. O'BRIEN, 24th Dist.

H.B. 5441