



General Assembly

Substitute Bill No. 6356

January Session, 2009

* HB06356INS 022709 *

AN ACT AMENDING THE EXTENDED WARRANTY STATUTES.

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

1 Section 1. Subsection (d) of section 42-260 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2009*):

4 (d) (1) An extended warranty shall not be issued, sold or offered for
5 sale unless the extended warranty provider is insured under an
6 extended warranty reimbursement insurance policy issued by an
7 insurer authorized to do business in this state or the extended
8 warranty provider can demonstrate that reserves for claims contained
9 in the provider's financial statements are not in excess of one-half of a
10 provider's audited net worth. If such reserves are in excess of one-half
11 of a provider's net worth, the reserves shall be held in trust by an
12 independent trustee and certified annually as adequate by an actuary.

13 (2) The extended warranty reimbursement insurance policy shall
14 cover the obligations under the extended warranty sold by the
15 extended warranty provider during the period of time that such
16 provider's insurance policy is in force.

17 (3) An insurer authorized to issue an extended warranty
18 reimbursement insurance policy in this state shall, at the time the
19 policy is filed with the Insurance Commissioner and continuously

20 thereafter: (A) Maintain a surplus as to policyholders and paid-in
21 capital of not less than twenty million dollars; (B) demonstrate to the
22 satisfaction of said commissioner that the company maintains a ratio of
23 net written premiums, wherever written, to a surplus as to
24 policyholders and paid-in capital of not greater than two to one; and
25 (C) annually file with the Insurance Commissioner copies of such
26 insurer's audited financial statements, its National Association of
27 Insurance Commissioners' Annual Statement and the actuarial
28 certification required by and filed in such insurer's state of domicile.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2009	42-260(d)
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Statement of Legislative Commissioners:

In subsection (d)(3)(C), "with the Insurance Commissioner" was inserted after "annually file" for clarity.

INS *Joint Favorable Subst.-LCO*