



General Assembly

Substitute Bill No. 6531

January Session, 2009

* _____ HB06531INS __ 031209 _____ *

AN ACT CLARIFYING POSTCLAIMS UNDERWRITING.

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

1 Section 1. Section 38a-477b of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) As used in this section:

4 (1) "Cancellation" or "cancel" means the prospective termination of
5 an insurance policy, contract, evidence of coverage or certificate from a
6 date certain.

7 (2) "Limitation" or "limit" means the imposition of a restriction or
8 refusal of coverage in an insurance policy, contract, evidence of
9 coverage or certificate for an existing medical condition.

10 (3) "Preexisting conditions provision" has the same meaning as
11 provided in section 38a-476.

12 (4) "Rescission" or "rescind" means the retroactive termination of an
13 insurance policy, contract, evidence of coverage or certificate to the
14 date of its inception, by which all premiums already paid by an
15 insured are refunded to such insured and all claims paid by the insurer
16 or health care center are recouped from providers to whom payment
17 was made.

18 [(a)] (b) Unless approval is granted pursuant to subsection [(b)] (d)
19 of this section, no insurer or health care center [may] shall rescind,
20 cancel or limit any policy of insurance, contract, evidence of coverage
21 or certificate [that provides] providing coverage of the type specified
22 in subdivisions (1), (2), (4), (6), (10), (11) and (12) of section 38a-469,
23 and:

24 (1) Having a duration of one year or more, on the basis of written
25 information submitted on [,] or with or omitted from an insurance
26 application by the insured if the insurer or health care center failed to
27 complete medical underwriting and resolve all reasonable medical
28 questions related to the written information submitted on [,] or with or
29 omitted from the insurance application before issuing the policy,
30 contract, evidence of coverage or certificate; or

31 (2) Having a duration of less than one year, on the basis of written
32 information submitted on or with or omitted from an insurance
33 application by the insured.

34 (c) No insurer or health care center [may] shall rescind, cancel or
35 limit any such policy, contract, evidence of coverage or certificate more
36 than two years after the effective date of the policy, contract, evidence
37 of coverage or certificate.

38 [(b)] (d) An insurer or health care center shall apply for approval of
39 such rescission, cancellation or limitation by submitting such written
40 information to the Insurance Commissioner on an application in such
41 form as the commissioner prescribes. Such insurer or health care center
42 shall provide a copy of the application for such approval to the insured
43 or the insured's representative. Not later than seven business days
44 after receipt of the application for such approval, the insured or the
45 insured's representative shall have an opportunity to review such
46 application and respond and submit relevant information to the
47 commissioner with respect to such application. Not later than fifteen
48 business days after the submission of information by the insured or the
49 insured's representative, the commissioner shall issue a written

50 decision on such application. The commissioner may approve such
51 rescission, cancellation or limitation if the commissioner finds that (1)
52 the written information submitted on or with the insurance application
53 was false at the time such application was made and the insured or
54 such insured's representative knew or should have known of the
55 falsity therein, and such submission materially affects the risk or the
56 hazard assumed by the insurer or health care center, or (2) the
57 information omitted from the insurance application was knowingly
58 omitted by the insured or such insured's representative, or the insured
59 or such insured's representative should have known of such omission,
60 and such omission materially affects the risk or the hazard assumed by
61 the insurer or health care center. Such decision shall be mailed to the
62 insured, the insured's representative, if any, and the insurer or health
63 care center.

64 (e) An insurer or health care center shall limit any investigation to
65 determine the existence of a preexisting condition based on a
66 submitted claim to (1) issues having a direct relationship with the
67 condition that is the subject of the claim, and (2) the period preceding
68 the effective date of the policy, contract, evidence of coverage or
69 certificate permitted to be limited or excluded under the preexisting
70 conditions provision of such policy, contract, evidence of coverage or
71 certificate.

72 [(c)] (f) Notwithstanding the provisions of chapter 54, any insurer or
73 insured aggrieved by any decision by the commissioner under
74 subsection [(b)] (d) of this section may, [within] not later than thirty
75 days after notice of the commissioner's decision is mailed to such
76 insurer and insured, take an appeal therefrom to the superior court for
77 the judicial district of Hartford, which shall be accompanied by a
78 citation to the commissioner to appear before said court. Such citation
79 shall be signed by the same authority, and such appeal shall be
80 returnable at the same time and served and returned in the same
81 manner, as is required in case of a summons in a civil action. Said court
82 may grant such relief as may be equitable.

83 (g) An insurer or health care center that accepts a telephonic
84 application for individual health insurance coverage shall: (1) Provide
85 in writing to the applicant, prior to the completion of the application
86 process, all terms and conditions of the policy or contract, including
87 the maximum duration of such policy or contract, an accurate
88 description of any preexisting conditions provisions, the relevant
89 exclusionary periods pertaining to such preexisting conditions and the
90 monthly premium; (2) use an interactive voice response system or
91 similar technology to complete the application; (3) retain for the
92 duration of the policy or contract plus one year, in a readily retrievable
93 format, a recording of the applicant agreeing to each term and
94 condition of the policy or contract; (4) mail the applicant a letter
95 confirming such applicant's agreement to such terms and conditions,
96 and include a notice that such applicant shall be bound by such terms
97 and conditions unless such applicant rescinds such agreement in
98 writing not later than five business days after receipt of such letter; and
99 (5) retain a copy of such letter and such rescission, if applicable, for the
100 duration of the policy or contract plus one year.

101 (h) Any insurance producer or agent who completes or assists in the
102 completion of an application for insurance shall be liable for any
103 information knowingly omitted or misrepresented by such producer or
104 agent in such application. If the insurer or health care center includes
105 with its request for approval of a rescission, cancellation or limitation
106 pursuant to subsection (d) of this section a statement that such policy,
107 contract or certificate would not have been issued had such omission
108 or misrepresentation been known to the insurer or health care center,
109 the insured shall be held harmless for any claims arising from a
110 rescission, cancellation or limitation of a policy, contract, evidence of
111 coverage or certificate.

112 [(d)] (i) The Insurance Commissioner may adopt regulations, in
113 accordance with chapter 54, to implement the provisions of this
114 section.

115 Sec. 2. Section 38a-483 of the general statutes is repealed and the

116 following is substituted in lieu thereof (*Effective from passage*):

117 (a) (1) Not later than December 31, 2009, the commissioner shall
118 develop, in consultation with the Office of the Healthcare Advocate
119 and the Office of the Attorney General, uniform and readable
120 applications for individual health insurance policies authorized to be
121 sold in this state and shall make such applications available to each
122 insurer and health care center doing business in this state. Such
123 applications shall be utilized by each insurer and health care center
124 doing business in this state for all individual health insurance policies
125 written on or after January 1, 2010.

126 (2) The commissioner shall establish a process to allow an insurer or
127 health care center to request approval to include a limited number of
128 nonstandard questions on the application set forth in subdivision (1) of
129 this subsection. Not later than seven days after receipt of such request,
130 the commissioner shall forward a copy of such request to the Office of
131 the Healthcare Advocate. Said office shall review such request and
132 submit a recommendation of approval or rejection to the commissioner
133 not later than fifteen days after receipt of such copy. The commissioner
134 shall consider the recommendation of said office and shall promptly
135 notify the insurer or health care center in writing of the decision to
136 approve or reject such request. The commissioner shall provide a copy
137 of the decision to said office.

138 (b) Except as provided in subsection [(c)] (d) of this section, each
139 individual health insurance policy delivered or issued for delivery to
140 any person in this state shall contain the provisions specified in this
141 subsection in the words in which the same appear in this section;
142 provided the insurer may, at its option, substitute for one or more of
143 such provisions corresponding provisions of different wording
144 approved by the commissioner which are in each instance not less
145 favorable in any respect to the insured or the beneficiary. Such
146 provisions shall be preceded individually by the caption appearing in
147 this subsection or, at the option of the insurer, by such appropriate
148 individual or group captions or subcaptions as the commissioner may

149 approve. Such provisions to be contained in such policy shall be:

150 (1) A provision as follows: "ENTIRE CONTRACT: CHANGES: This
151 policy, including the endorsements and the attached papers, if any,
152 constitutes the entire contract of insurance. No change in this policy
153 shall be valid until approved by an executive officer of the insurer and
154 unless such approval be endorsed hereon or attached hereto. No agent
155 has authority to change this policy or to waive any of its provisions."

156 (2) A provision as follows: "TIME LIMIT ON CERTAIN DEFENSES:
157 This policy shall be incontestable, except for nonpayment of premium,
158 after it has been in force for two years from its date of issue."

159 (3) A provision as follows: "GRACE PERIOD: A grace period of ...
160 (insert a number not less than seven for weekly premium policies, ten
161 for monthly premium policies and thirty-one for all other policies)
162 days will be granted for the payment of each premium falling due after
163 the first premium, during which grace period the policy shall continue
164 in force." A policy which contains a cancellation provision may add, at
165 the end of the above provision, "subject to the right of the insurer to
166 cancel in accordance with the cancellation provision hereof." A policy
167 in which the insurer reserves the right to refuse any renewal may have,
168 at the beginning of the above provision, "Unless not less than five days
169 prior to the premium due date the insurer has delivered to the insured
170 or has mailed to his last address as shown by the records of the insurer
171 written notice of its intention not to renew this policy beyond the
172 period for which the premium has been accepted."

173 (4) A provision as follows: "REINSTATEMENT: If any renewal
174 premium is not paid within the time granted the insured for payment,
175 a subsequent acceptance of premium by the insurer or by any agent
176 duly authorized by the insurer to accept such premium, without
177 requiring in connection therewith an application for reinstatement,
178 shall reinstate the policy; provided, if the insurer or such agent
179 requires an application for reinstatement and issues a conditional
180 receipt for the premium tendered, the policy shall be reinstated upon

181 approval of such application by the insurer or, lacking such approval,
182 upon the forty-fifth day following the date of such conditional receipt
183 unless the insurer has previously notified the insured, in writing, of its
184 disapproval of such application. The reinstated policy shall cover only
185 loss resulting from such accidental injury as may be sustained after the
186 date of reinstatement and loss due to such sickness as may begin more
187 than ten days after such date. In all other respects the insured and
188 insurer shall have the same rights thereunder as they had under the
189 policy immediately before the due date of the defaulted premium,
190 subject to any provisions endorsed hereon or attached hereto in
191 connection with the reinstatement. Any premium accepted in
192 connection with a reinstatement shall be applied to a period for which
193 premium has not been previously paid, but not to any period more
194 than sixty days prior to the date of reinstatement." The last sentence of
195 the above provision may be omitted from any policy which the insured
196 has the right to continue in force subject to its terms by the timely
197 payment of premiums (1) until at least age fifty or (2), in the case of a
198 policy issued after age forty-four, for at least five years from its date of
199 issue.

200 (5) A provision as follows: "NOTICE OF CLAIM: Written notice of
201 claim must be given to the insurer within twenty days after the
202 occurrence or commencement of any loss covered by the policy, or as
203 soon thereafter as is reasonably possible. Notice given by or on behalf
204 of the insured or the beneficiary to the insurer at (insert the location
205 of such office as the insurer may designate for the purpose), or to any
206 authorized agent of the insurer, with information sufficient to identify
207 the insured, shall be deemed notice to the insurer." In a policy
208 providing a loss-of-time benefit which may be payable for at least two
209 years, an insurer may, at its option, insert the following between the
210 first and second sentences of the above provision: "Subject to the
211 qualifications set forth below, if the insured suffers loss of time on
212 account of disability for which indemnity may be payable for at least
213 two years, he shall, at least once in every six months after having given
214 notice of claim, give to the insurer notice of continuance of said

215 disability, except in the event of legal incapacity. The period of six
216 months following any filing of proof by the insured or any payment by
217 the insurer on account of such claim or any denial of liability in whole
218 or in part by the insurer shall be excluded in applying this provision.
219 Delay in the giving of such notice shall not impair the insured's right to
220 any indemnity which would otherwise have accrued during the period
221 of six months preceding the date on which such notice is actually
222 given."

223 (6) A provision as follows: "CLAIM FORMS: The insurer, upon
224 receipt of a notice of claim, shall furnish to the claimant such forms as
225 are usually furnished by it for filing proofs of loss. If such forms are
226 not furnished within fifteen days after the giving of such notice, the
227 claimant shall be deemed to have complied with the requirements of
228 this policy as to proof of loss, upon submitting, within the time fixed in
229 the policy for filing proofs of loss, written proof covering the
230 occurrence, the character and the extent of the loss for which claim is
231 made."

232 (7) A provision as follows: "PROOFS OF LOSS: Written proof of loss
233 shall be furnished to the insurer at its said office in case of claim for
234 loss for which this policy provides any periodic payment contingent
235 upon continuing loss within ninety days after the termination of the
236 period for which the insurer is liable and in case of claim for any other
237 loss within ninety days after the date of such loss. Failure to furnish
238 such proof within the time required shall not invalidate nor reduce any
239 claim if it was not reasonably possible to give proof within such time,
240 provided such proof is furnished as soon as reasonably possible and in
241 no event, except in the absence of legal capacity, later than one year
242 from the time proof is otherwise required."

243 (8) A provision as follows: "TIME OF PAYMENT OF CLAIMS:
244 Indemnities payable under this policy for any loss other than loss for
245 which this policy provides any periodic payment will be paid
246 immediately upon receipt of due written proof of such loss. Subject to
247 due written proof of loss, all accrued indemnities for loss for which

248 this policy provides periodic payment shall be paid (insert period
249 for payment which must not be less frequently than monthly) and any
250 balance remaining unpaid upon the termination of liability will be
251 paid immediately upon receipt of due written proof."

252 (9) A provision as follows: "PAYMENT OF CLAIMS: Indemnity for
253 loss of life will be payable in accordance with the beneficiary
254 designation and the provisions respecting such payment which may be
255 prescribed herein and effective at the time of payment. If no such
256 designation or provision is then effective, such indemnity shall be
257 payable to the estate of the insured. Any other accrued indemnities
258 unpaid at the insured's death may, at the option of the insurer, be paid
259 either to such beneficiary or to such estate. All other indemnities will
260 be payable to the insured." The following provisions, or either of them,
261 may be included with the foregoing provision at the option of the
262 insurer: "If any indemnity of this policy shall be payable to the estate of
263 the insured, or to an insured or beneficiary who is a minor or
264 otherwise not competent to give a valid release, the insurer may pay
265 such indemnity, up to an amount not exceeding \$... (insert an amount
266 which shall not exceed one thousand dollars), to any relative by blood
267 or connection by marriage of the insured or beneficiary who is deemed
268 by the insurer to be equitably entitled thereto. Any payment made by
269 the insurer in good faith pursuant to this provision shall fully
270 discharge the insurer to the extent of such payment. Subject to any
271 written direction of the insured in the application or otherwise, all or a
272 portion of any indemnities provided by this policy on account of
273 hospital, nursing, medical or surgical services may, at the insurer's
274 option and unless the insured requests otherwise in writing not later
275 than the time of filing proofs of such loss, be paid directly to the
276 hospital or person rendering such services; but it is not required that
277 the service be rendered by a particular hospital or person."

278 (10) A provision as follows: "PHYSICAL EXAMINATIONS AND
279 AUTOPSY: The insurer at its own expense shall have the right and
280 opportunity to examine the person of the insured when and as often as

281 it may reasonably require during the pendency of a claim hereunder
282 and to make an autopsy in case of death where it is not forbidden by
283 law."

284 (11) A provision as follows: "LEGAL ACTIONS: No action at law or
285 in equity shall be brought to recover on this policy prior to the
286 expiration of sixty days after written proof of loss has been furnished
287 in accordance with the requirements of this policy. No such action
288 shall be brought after the expiration of three years after the time
289 written proof of loss is required to be furnished."

290 (12) A provision as follows: "CHANGE OF BENEFICIARY: Unless
291 the insured makes an irrevocable designation of beneficiary, the right
292 to change of beneficiary is reserved to the insured and the consent of
293 the beneficiary or beneficiaries shall not be requisite to surrender or
294 assignment of this policy or to any change of beneficiary or
295 beneficiaries, or to any other changes in this policy." The first clause of
296 this provision, relating to the irrevocable designation of beneficiary,
297 may be omitted at the insurer's option.

298 [(b)] (c) Except as provided in subsection [(c)] (d) of this section, no
299 such policy delivered or issued for delivery to any person in this state
300 shall contain provisions respecting the matters set forth below unless
301 such provisions are in the words in which the same appear in this
302 section; provided the insurer may, at its option, use in lieu of any such
303 provision a corresponding provision of different wording approved by
304 the commissioner which is not less favorable in any respect to the
305 insured or the beneficiary. Any such provision contained in the policy
306 shall be preceded individually by the appropriate caption appearing in
307 this subsection or, at the option of the insurer, by such appropriate
308 individual or group captions or subcaptions as the commissioner may
309 approve.

310 (1) A provision as follows: "CHANGE OF OCCUPATION: If the
311 insured be injured or contract sickness after having changed his
312 occupation to one classified by the insurer as more hazardous than that

313 stated in his policy or while doing for compensation anything
314 pertaining to an occupation so classified, the insurer will pay only such
315 portion of the indemnities provided in this policy as the premium paid
316 would have purchased at the rates and within the limits fixed by the
317 insurer for such more hazardous occupation. If the insured changes his
318 occupation to one classified by the insurer as less hazardous than that
319 stated in this policy, the insurer, upon receipt of proof of such change
320 of occupation, will reduce the premium rate accordingly, and will
321 return the excess pro-rata unearned premium from the date of change
322 of occupation or from the policy anniversary date immediately
323 preceding receipt of such proof, whichever is the more recent. In
324 applying this provision, the classification of occupational risk and the
325 premium rates shall be such as have been last filed by the insurer prior
326 to the occurrence of the loss for which the insurer is liable or prior to
327 date of proof of change in occupation with the state official having
328 supervision of insurance in the state where the insured resided at the
329 time this policy was issued; but if such filing was not required, then
330 the classification of occupational risk and the premium rates shall be
331 those last made effective by the insurer in such state prior to the
332 occurrence of the loss or prior to the date of proof of change in
333 occupation."

334 (2) A provision as follows: "MISSTATEMENT OF AGE: If the age of
335 the insured has been misstated, all amounts payable under this policy
336 shall be such as the premium paid would have purchased at the
337 correct age."

338 (3) A provision in accordance with subparagraph (i) or (ii) of this
339 subdivision as follows: (i) "OTHER INSURANCE IN THIS INSURER:
340 If an accident or sickness or accident and sickness policy or policies
341 previously issued by the insurer to the insured be in force concurrently
342 herewith, making the aggregate indemnity for (insert type of
343 coverage or coverages) in excess of \$.... (insert maximum limit of
344 indemnity or for such excess shall be returned to the insured or his
345 estate"; or, (ii) "OTHER INSURANCE IN THIS INSURER: Insurance

346 effective at any one time on the insured under a like policy or policies
347 in this insurer is limited to the one such policy elected by the insured,
348 his beneficiary or his estate, as the case may be, and the insurer will
349 return all premiums paid for all other such policies."

350 (4) A provision as follows: "INSURANCE WITH OTHER
351 INSURERS: If there be other valid coverage, not with this insurer,
352 providing benefits for the same loss on a provision of service basis or
353 on an expense incurred basis and of which this insurer has not been
354 given written notice prior to the occurrence or commencement of loss,
355 the only liability under any expense incurred coverage of this policy
356 shall be for such proportion of the loss as the amount which would
357 otherwise have been payable hereunder plus the total of the like
358 amounts under all such other valid coverages for the same loss of
359 which this insurer had notice bears to the total like amounts under all
360 valid coverages for such loss, and for the return of such portion of the
361 premiums paid as shall exceed the pro-rata portion for the amount so
362 determined. For the purpose of applying this provision when other
363 coverage is on a provision of service basis, the "like amount" of such
364 other coverage shall be taken as the amount which the services
365 rendered would have cost in the absence of such coverage." If the
366 foregoing policy provision is included in a policy which also contains
367 the policy provisions specified in subdivision (5) of this subsection,
368 there shall be added to the caption of the foregoing provision the
369 phrase "- EXPENSE INCURRED BENEFITS". The insurer may, at its
370 option, include in this provision a definition of "other valid coverage",
371 approved as to form by the commissioner, which definition shall be
372 limited in subject matter to coverage provided by organizations subject
373 to regulation by insurance law or by insurance authorities of this or
374 any other state of the United States or any province of Canada, and by
375 hospital or medical service organizations, and to any other coverage
376 the inclusion of which may be approved by the commissioner. In the
377 absence of such definition, such terms shall not include group
378 insurance, automobile medical payments insurance, or coverage
379 provided by hospital or medical service organizations or by union

380 welfare plans or employer or employee benefit organizations. For the
381 purpose of applying the foregoing policy provision with respect to any
382 insured, any amount of benefit provided for such insured pursuant to
383 any compulsory benefit statute, including any workers' compensation
384 or employer's liability statute, whether provided by a governmental
385 agency or otherwise, shall in all cases be deemed to be "other valid
386 coverage" of which the insurer has had notice. In applying the
387 foregoing policy provision no third party liability coverage shall be
388 included as "other valid coverage".

389 (5) A provision as follows: "INSURANCE WITH OTHER
390 INSURERS: If there be other valid coverage, not with this insurer,
391 providing benefits for the same loss on other than an expense incurred
392 basis and of which this insurer has not been given written notice prior
393 to the occurrence or commencement of loss, the only liability for such
394 benefits under this policy shall be for such proportion of the
395 indemnities otherwise provided hereunder for such loss as the like
396 indemnities of which the insurer had notice (including the indemnities
397 under this policy) bear to the total amount of all like indemnities for
398 such loss, and for the return of such portion of the premium paid as
399 shall exceed the pro-rata portion for the indemnities thus determined."
400 If the foregoing policy provision is included in a policy which also
401 contains the policy provision specified in subdivision (4) of this
402 subsection, there shall be added to the caption of the foregoing
403 provision the phrase "- OTHER BENEFITS". The insurer may, at its
404 option, include in this provision a definition of "other valid coverage",
405 approved as to form by the commissioner, which definition shall be
406 limited in subject matter to coverage provided by organizations subject
407 to regulation by insurance law or by insurance authorities of this or
408 any other state of the United States or any province of Canada, and to
409 any other coverage the inclusion of which may be approved by the
410 commissioner. In the absence of such definition, such term shall not
411 include group insurance, or benefits provided by union welfare plans
412 or by employer or employee benefit organizations. For the purpose of
413 applying the foregoing policy provision with respect to any insured,

414 any amount of benefit provided for such insured pursuant to any
415 compulsory benefit statute including any workers' compensation or
416 employer's liability statute, whether provided by a governmental
417 agency or otherwise shall in all cases be deemed to be "other valid
418 coverage" of which the insurer has had notice. In applying the
419 foregoing policy provision no third party liability coverage shall be
420 included as "other valid coverage".

421 (6) A provision as follows: "RELATION OF EARNINGS TO
422 INSURANCE: If the total monthly amount of loss of time benefits
423 promised for the same loss under all valid loss of time coverage upon
424 the insured, whether payable on a weekly or monthly basis, shall
425 exceed the monthly earnings of the insured at the time disability
426 commenced or his average monthly earnings for the period of two
427 years immediately preceding a disability for which claim is made,
428 whichever is the greater, the insurer will be liable only for such
429 proportionate amount of such benefits under this policy as the amount
430 of such monthly earnings or such average monthly earnings of the
431 insured bears to the total amount of monthly benefits for the same loss
432 under all such coverage upon the insured at the time such disability
433 commences and for the return of such part of the premiums paid
434 during such two years as shall exceed the pro-rata amount of the
435 premiums for the benefits actually paid hereunder; but this shall not
436 operate to reduce the total monthly amount of benefits payable under
437 all such coverage upon the insured below the sum of two hundred
438 dollars or the sum of the monthly benefits specified in such coverages,
439 whichever is the lesser, nor shall it operate to reduce benefits other
440 than those payable for loss of time." The foregoing policy provision
441 may be inserted only in a policy which the insured has the right to
442 continue in force subject to its terms by the timely payment of
443 premiums (1) until at least age fifty or (2), in the case of a policy issued
444 after age forty-four, for at least five years from its date of issue. The
445 insurer may, at its option, include in this provision a definition of
446 "valid loss of time coverage", approved as to form by the
447 commissioner, which definition shall be limited in subject matter to

448 coverage provided by governmental agencies or by organizations
449 subject to regulation by insurance law or by insurance authorities of
450 this or any other state of the United States or any province of Canada,
451 or to any other coverage the inclusion of which may be approved by
452 the commissioner or any combination of such coverages. In the
453 absence of such definition such term shall not include any coverage
454 provided for such insured pursuant to any compulsory benefit statute,
455 including any workers' compensation or employer's liability statute, or
456 benefits provided by union welfare plans or by employer or employee
457 benefit organizations.

458 (7) A provision as follows: "UNPAID PREMIUM: Upon the
459 payment of a claim under this policy, any premium then due and
460 unpaid or covered by any note or written order may be deducted
461 therefrom."

462 (8) A provision as follows: "CANCELLATION: The insurer may
463 cancel this policy at any time by written notice delivered to the insured
464 and to any dependents who were listed on the application and any
465 subsequent revisions thereto, or mailed to their last address as shown
466 by the records of the insurer, stating when, not less than five days
467 thereafter, such cancellation shall be effective; and after the policy has
468 been continued beyond its original term the insured may cancel this
469 policy at any time by written notice delivered or mailed to the insurer,
470 effective upon receipt or on such later date as may be specified in such
471 notice. In the event of cancellation, the insurer will return promptly the
472 unearned portion of any premium paid. If the insured cancels, the
473 earned premium shall be computed by the use of the short-rate table
474 last filed with the state official having supervision of insurance in the
475 state where the insured resided when the policy was issued. If the
476 insurer cancels, the earned premium shall be computed pro-rata.
477 Cancellation shall be without prejudice to any claim originating prior
478 to the effective date of cancellation."

479 (9) A provision as follows: "CONFORMITY WITH STATE
480 STATUTES: Any provision of this policy which, on its effective date, is

481 in conflict with the statutes of the state in which the insured resides on
482 such date is hereby amended to conform to the minimum
483 requirements of such statutes."

484 [(c)] (d) If any provision of this section is in whole or in part
485 inapplicable to or inconsistent with the coverage provided by a
486 particular form of policy, the insurer, with the approval of the
487 commissioner, shall omit from such policy any inapplicable provision
488 or part of a provision, and shall modify any inconsistent provision or
489 part of the provision in such manner as to make the provision as
490 contained in the policy consistent with the coverage provided by the
491 policy.

492 [(d)] (e) The provisions specified in subsections [(a) and] (b) and (c)
493 of this section, or any corresponding provisions which are used in lieu
494 thereof in accordance with said subsections, shall be printed in the
495 consecutive order of the provisions in such subsections or, at the
496 option of the insurer, any such provision may appear as a unit in any
497 part of the policy, with other provisions to which it may be logically
498 related, provided the resulting policy shall not be in whole or in part
499 unintelligible, uncertain, ambiguous, abstruse or likely to mislead a
500 person to whom the policy is offered, delivered or issued.

501 [(e)] (f) The word "insured", as used in sections 38a-481 to 38a-488,
502 inclusive, shall not be construed as preventing a person other than the
503 insured with a proper insurable interest from making application for
504 and owning a policy covering the insured or from being entitled under
505 such a policy to any indemnities, benefits and rights provided therein.

506 [(f)] (g) (1) Any policy of a foreign or alien insurer, when delivered
507 or issued for delivery to any person in this state, may contain any
508 provision which is not less favorable to the insured or the beneficiary
509 than the provisions of sections 38a-481 to 38a-488, inclusive, and which
510 is prescribed or required by the law of the state under which the
511 insurer is organized.

512 (2) Any policy of a domestic insurer may, when issued for delivery
 513 in any other state or country, contain any provision permitted or
 514 required by the laws of such other state or country.

515 [(g)] (h) The commissioner may make such reasonable rules and
 516 regulations concerning the procedure for the filing or submission of
 517 policies subject to sections 38a-481 to 38a-488, inclusive, as are
 518 necessary, proper or advisable to the administration of said sections.
 519 This provision shall not abridge any other authority granted the
 520 commissioner by law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	38a-477b
Sec. 2	<i>from passage</i>	38a-483

Statement of Legislative Commissioners:

In sections 1 (b)(1) and 1 (b)(2), "Having" was substituted in lieu of "If such policy, contract or certificate is for" for clarity and consistency with the drafting convention of the general statutes.

INS *Joint Favorable Subst.*