



House of Representatives

General Assembly

File No. 152

January Session, 2011

House Bill No. 6508

House of Representatives, March 22, 2011

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING TIMELY HISTORY REPORTS FOR COMMERCIAL RISK INSURANCE POLICIES.

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

1 Section 1. Section 38a-326 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2011*):

3 (a) Whenever a policy for commercial [automobile insurance or
4 general liability] risk insurance, as defined in section 38a-663, is
5 nonrenewed or cancelled for [whatever] any reason by the insured or
6 by the insurer, the insurer shall furnish the insured with written
7 reports for the insured portion of the period beginning four years prior
8 to the nonrenewal or cancellation date and ending six months prior to
9 that date. Such reports shall include the following: (1) Each policy
10 number; (2) each period of coverage provided; (3) evidence that the
11 reports are furnished by the insurer; (4) written premiums; (5) pricing
12 information as specified by regulations adopted pursuant to
13 subsection (c) of this section and modifications used if requested by the
14 insured; and (6) a detailed listing of incurred losses. If the policy is

15 nonrenewed or cancelled by the insurer for reasons other than those
 16 permitting cancellation upon ten days' notice under section 38a-324,
 17 such reports shall be provided to the insured first named in the policy
 18 or the insured's authorized producer, not later than the date of notice
 19 of nonrenewal or cancellation. If the policy is nonrenewed or cancelled
 20 by the insured or cancelled by the insurer for any reason for which ten
 21 days' notice of cancellation is required under section 38a-324, such
 22 reports shall be provided [within sixty] not later than ten days [of]
 23 after receipt of the written request from the insured first named in the
 24 policy or the insured's authorized producer. If subsequent reports
 25 updating the required information are needed to properly rate or to
 26 obtain insurance coverage with a different insurer, such reports shall
 27 be furnished by the prior insurer [within sixty] not later than ten days
 28 [of] after receipt of a written request from the insured first named in
 29 the policy or the insured's authorized producer.

30 (b) An insurer shall provide, [upon] not later than ten days after
 31 receipt of a written request by the principal named insured or the
 32 insured's authorized producer, a summary of policy claim information
 33 on a policy for commercial insurance for a period commencing not
 34 more than four years prior to the date of the request. Such information
 35 shall include the following: (1) Each policy number; (2) each period of
 36 coverage; (3) the number of claims; (4) the paid losses of all loss
 37 information; and (5) the date of each loss. For purposes of this
 38 subsection, "principal named insured" shall not include any additional
 39 named insured.

40 (c) The Insurance Commissioner may adopt regulations, in
 41 accordance with the provisions of chapter 54, as deemed necessary to
 42 implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2011	38a-326

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

There is no fiscal impact to the state or municipalities as this bill relates only to loss run reporting requirements of private insurers.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 6508*****AN ACT CONCERNING TIMELY HISTORY REPORTS FOR COMMERCIAL RISK INSURANCE POLICIES.*****SUMMARY:**

By law, when insurers cancel or do not renew a commercial auto or general liability insurance policy, they must provide their insureds with written reports that include a history of the policy's pricing and premium information, along with a detailed list of incurred losses (i.e., loss reports). This bill extends the reporting requirement to all types of commercial risk insurance, instead of just commercial auto or general liability, and decreases the timeframe for providing certain reports from 60 days to 10 days.

Additionally, under current law, commercial auto and general liability insurers must provide to principal insureds who request it, a summary of claims information for a period of up to four years before the date of the request. The bill (1) expands the requirement to all commercial risk insurers, (2) permits the insured's authorized producer to submit the request, (3) specifies that the request must be made in writing, and (4) requires the insurer to report within 10 days after receiving the request. By law, the summary report must include each policy number, each coverage period, the number of claims, the amount of paid losses, and the date of each loss.

EFFECTIVE DATE: October 1, 2011

TIMEFRAME TO FURNISH LOSS REPORT

Under current law, when the cancellation or nonrenewal of a policy is due to specified circumstances (e.g., nonpayment of premium, fraud or material misrepresentation, or willful or reckless acts that increase the hazard insured against), the insurer must provide the loss report,

or an updated report needed to properly rate or obtain coverage from a different insurer, to the insured within 60 days of receiving a written request from the insured or the insured's authorized producer. The bill decreases the timeframe to report from 60 days to 10 days.

An insurer that cancels or does not renew a policy for any other reason than those specified must provide the insured or authorized producer with the loss report no later than the date notice of nonrenewal or cancellation is furnished.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 17 Nay 0 (03/10/2011)