



Senate

General Assembly

File No. 303

January Session, 2011

Substitute Senate Bill No. 168

Senate, March 31, 2011

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING LATE FEES FOR PERSONAL RISK INSURANCE POLICIES.

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

1 Section 1. Section 38a-323c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2011*):

3 Each insurer that assesses a fee for late payment of premium on a
4 policy for personal risk insurance, as defined in section 38a-663, shall
5 indicate the amount and applicability of the fee in a conspicuous
6 manner on the bill sent to the policyholder. No such fee shall exceed
7 twenty-five dollars. Each such insurer shall allow a policyholder a
8 period of grace that is not less than ten days after the date a premium
9 payment was due before the fee becomes payable.

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

Section 1	<i>October 1, 2011</i>	38a-323c
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INS *Joint Favorable Subst.*

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

This bill has no fiscal impact to the state or municipalities as it concerns late fees that private insurers may charge their policyholders.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 168*****AN ACT CONCERNING LATE FEES FOR PERSONAL RISK INSURANCE POLICIES.*****SUMMARY:**

This bill caps at \$25 the fee a personal risk insurer can charge a policyholder who pays his or her premium late. It also requires the insurer to provide the policyholder with at least a 10-day grace period for making payments.

By law, the insurer must conspicuously display the late fee and applicability on the policyholder's bill. "Personal Risk Insurance" includes homeowners, tenants, private passenger automobile, mobile home, and other property and casualty insurance for personal, family, or household needs, but excludes workers' compensation.

EFFECTIVE DATE: October 1, 2011

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 7 (03/15/2011)