



House of Representatives

General Assembly

File No. 3

February Session, 2012

Substitute House Bill No. 5010

House of Representatives, March 5, 2012

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 substitute bill ought to pass.

AN ACT CONCERNING THE DISCLOSURE NOTICE FOR SURPLUS LINES INSURANCE POLICIES.

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

1 Section 1. Section 38a-745 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2012*):

3 Each insurance policy issued pursuant to sections 38a-741 to 38a-
4 744, inclusive, [38a-777] and 38a-794 by a surplus lines insurer shall
5 bear on its cover, in not less than twelve-point boldface type in capital
6 letters, the following:

7 NOTICE

8 THIS IS A SURPLUS LINES POLICY AND IS NOT PROTECTED
9 BY THE CONNECTICUT INSURANCE GUARANTY ASSOCIATION
10 OR SUBJECT TO APPROVAL BY THE CONNECTICUT INSURANCE
11 DEPARTMENT. IT IS IMPORTANT THAT YOU READ AND
12 UNDERSTAND THIS POLICY.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	38a-745

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

The bill amends the disclosure statement for surplus lines insurance and makes a technical correction to the statutes. There is no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5010****AN ACT CONCERNING THE DISCLOSURE NOTICE FOR SURPLUS LINES INSURANCE POLICIES.****SUMMARY:**

This bill increases the information that must be included on the cover sheet of a surplus lines insurance policy. Under current law, the cover sheet must state that "THIS IS A SURPLUS LINES POLICY AND IS NOT PROTECTED BY THE CONNECTICUT INSURANCE GUARANTY ASSOCIATION." The bill additionally requires the notice to state "OR SUBJECT TO APPROVAL BY THE CONNECTICUT INSURANCE DEPARTMENT. IT IS IMPORTANT THAT YOU READ AND UNDERSTAND THIS POLICY." By law, the notice must be in 12-point capital bold letters.

When insurance is not available through a licensed insurer, a person may obtain coverage from a surplus lines insurer. A surplus lines insurer is an unauthorized insurer (i.e., an insurer not licensed to do business in Connecticut).

The bill also makes a technical change.

EFFECTIVE DATE: October 1, 2012

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 20 Nay 0 (02/21/2012)