



General Assembly

February Session, 2012

Raised Bill No. 5010

LCO No. 54

00054_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

**AN ACT CONCERNING INFORMATION TO BE SUPPLIED OR
DISCLOSED FOR CERTAIN PERSONAL RISK AND SURPLUS LINES
INSURANCE POLICIES.**

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

1 Section 1. Section 38a-53a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2012*):

3 (a) Each domestic, foreign and alien insurer authorized to transact
4 insurance in this state shall [annually on or before March first of each
5 year,] file electronically with the National Association of Insurance
6 Commissioners annually, on or before March first, a copy of its annual
7 statement convention blank, along with such additional filings as
8 prescribed by the commissioner for the preceding year. The
9 information filed with the National Association of Insurance
10 Commissioners shall include additional filings as prescribed by the
11 commissioner and shall include the signed jurat page and the actuarial
12 certification. Any amendments and addendums to the annual
13 statement or other financial statements subsequently filed with the
14 commissioner shall also be filed with the National Association of
15 Insurance Commissioners. Foreign insurers that are domiciled in a

16 state that has a law substantially similar to the provisions of this
17 section shall be deemed in compliance with this section. Upon written
18 application of any insurer domiciled in this state that transacts no
19 insurance business in another state, the commissioner may grant an
20 exemption from compliance with this section if compliance would
21 constitute a financial or organizational hardship upon the insurer. All
22 financial analysis ratios and examination synopses concerning
23 insurance companies that are submitted to the Insurance Department
24 by the National Association of Insurance Commissioners are
25 confidential and may not be disclosed or otherwise made public by the
26 department.

27 (b) Each domestic, foreign and alien insurer that delivers, issues for
28 delivery, renews, amends or endorses a homeowners insurance policy
29 in this state shall file with the commissioner annually, on or before
30 March first, the number of such policies in force in this state as of
31 January first of such year, by zip codes of the insured residential
32 properties.

33 Sec. 2. Section 38a-350 of the general statutes is repealed and the
34 following is substituted in lieu thereof (*Effective October 1, 2012*):

35 Each insurance company [which] that issues in this state automobile
36 liability policies as defined in section 38a-341, insuring against loss
37 resulting from liability for damages because of bodily injury or death
38 of any person and injury to or destruction of property arising out of
39 the ownership, maintenance or use of a specific motor vehicle or motor
40 vehicles, shall file with the Insurance Commissioner, for each calendar
41 year in which it does business within the state, not later than sixty days
42 after the end of such calendar year, [with the Insurance
43 Commissioner,] a record of (1) the number of such policies insuring
44 motor vehicles principally garaged in Connecticut in force as of
45 January first of such year, (2) the number of car years of such insurance
46 in force as of January first of such year, the number of such policies
47 nonrenewed in such year, (3) the number of such policies cancelled in

48 such year, (4) the number of such new policies underwritten in such
49 year, (5) the total number of such policies in force as of December
50 thirty-first of such year, [and] (6) the number of car years of such
51 insurance in force as of December thirty-first of such year, and (7) the
52 number of private passenger nonfleet automobile insurance policies
53 insuring motor vehicles principally garaged in Connecticut in force as
54 of January first of such year, by zip codes where such motor vehicles
55 are principally garaged.

56 Sec. 3. Section 38a-741 of the 2012 supplement to the general statutes
57 is repealed and the following is substituted in lieu thereof (*Effective*
58 *October 1, 2012*):

59 (a) The commissioner shall maintain on a current basis a list of those
60 lines of insurance or their components for which coverages are
61 believed by the commissioner to be generally unavailable from
62 licensed insurers. The commissioner shall republish the list and make
63 it available to all licensees every six months. Any person may request
64 in writing that the commissioner add or remove a line of insurance or
65 its component from the current list at the next publication of the list.
66 The commissioner's determinations of lines of insurance or their
67 components to be added to or removed from the list shall not be
68 subject to chapter 54 provided prior to making determinations, the
69 commissioner shall provide opportunity for comments from interested
70 persons.

71 (b) (1) When any policy of insurance is procured under the authority
72 of such license providing a line of insurance or its component that does
73 not, on the effective date of coverage, appear on the current published
74 list, both the licensee and the insured shall [execute affidavits] write
75 signed statements setting forth facts showing that such licensee and
76 such insured were unable after diligent effort to procure, from any
77 authorized insurer or insurers, the full amount of insurance required to
78 protect the interest of such insured, and further showing that the
79 amount of insurance procured from an unauthorized insurer or

80 insurers is only the excess over the amount so procurable from
81 authorized insurers. Such licensee shall file such [affidavits] signed
82 statements with the commissioner not later than forty-five days after
83 such policies have been procured.

84 (2) The provisions of subdivision (1) of this subsection shall not
85 apply to any policy of insurance procured under the authority of such
86 license for an insured that is an exempt commercial purchaser, as
87 defined in Section 527 of the Dodd-Frank Wall Street Reform and
88 Consumer Protection Act, P.L. 111-203, as amended from time to time,
89 provided (A) the surplus lines broker has disclosed to such exempt
90 commercial purchaser that such insurance may or may not be available
91 from an authorized insurer, that may provide greater protection with
92 more regulatory oversight, and (B) such exempt commercial purchaser
93 has subsequently requested such broker, in writing, to procure such
94 policy from an unauthorized insurer.

95 Sec. 4. Section 38a-777 of the general statutes is repealed and the
96 following is substituted in lieu thereof (*Effective October 1, 2012*):

97 Any licensee under sections 38a-741 to 38a-744, inclusive, as
98 amended by this act, or section 38a-794 who negotiates, continues or
99 renews any contract for insurance in any unauthorized company, and
100 who neglects to make and file the [affidavit and] statements required
101 by [said sections] section 38a-741, as amended by this act, or who
102 wilfully makes a false [affidavit or] statement, or who negotiates,
103 continues or renews any such contract of insurance after the revocation
104 or during the suspension of the licensee's license, shall forfeit the
105 license if not previously revoked and shall be fined not more than four
106 thousand dollars or imprisoned not more than six months, or both.

107 Sec. 5. Section 38a-745 of the general statutes is repealed and the
108 following is substituted in lieu thereof (*Effective October 1, 2012*):

109 Each insurance policy issued pursuant to sections 38a-741 to 38a-
110 744, inclusive, as amended by this act, [38a-777] and 38a-794 by a

111 surplus lines insurer shall bear on its cover, in not less than twelve-
112 point boldface type in capital letters, the following:

113 NOTICE

114 THIS IS A SURPLUS LINES POLICY AND IS NOT PROTECTED
115 BY THE CONNECTICUT INSURANCE GUARANTY ASSOCIATION
116 OR SUBJECT TO APPROVAL BY THE CONNECTICUT INSURANCE
117 DEPARTMENT. IT IS IMPORTANT THAT YOU READ AND
118 UNDERSTAND THIS POLICY.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	38a-53a
Sec. 2	<i>October 1, 2012</i>	38a-350
Sec. 3	<i>October 1, 2012</i>	38a-741
Sec. 4	<i>October 1, 2012</i>	38a-777
Sec. 5	<i>October 1, 2012</i>	38a-745

Statement of Purpose:

To require insurers to report annually to the Insurance Commissioner the number of homeowners insurance policies and private passenger nonfleet automobile insurance policies in force in the state by zip codes, to change the requirement for an affidavit for a surplus lines policy to a signed statement, and to add language to the disclosure statement required on the cover of a surplus lines insurance policy form.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]