AN ACT CONCERNING VARIOUS CHANGES TO PROPERTY AND CASUALTY INSURANCE STATUTES.

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

Section 1. Section 38a-316a of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2012):

(a) No insurer that delivers, issues for delivery, renews, amends or endorses a homeowners insurance policy in this state shall refuse to renew or issue such a policy solely on the basis that the insured or prospective insured has failed to install permanent storm shutters on his or her residential dwelling as a means of mitigating loss from hurricanes or other severe storms.

(b) (1) No insurer shall deliver, issue for delivery, renew, amend or endorse a homeowners insurance policy that includes a windstorm deductible, other than a hurricane deductible, that is imposed separately from the overall policy deductible.

(2) No insurer shall deliver, issue for delivery, renew, amend or endorse a homeowners insurance policy in this state that includes a
hurricane deductible that is imposed separately from the overall policy deductible unless: (A) Such deductible is specifically identified and conspicuously displayed on the declarations page of the policy; (B) the policy reflects a premium credit associated with the reduced coverage resulting from the imposition of a hurricane deductible; and (C) if the hurricane deductible is a percentage of the covered value of the property, the calculation of the dollar equivalent of the hurricane deductible is conspicuously displayed on the declarations page of the policy. Before an insurer issues for delivery a homeowners insurance policy as set forth in this subdivision or renews a homeowners insurance policy that previously did not include a separate hurricane deductible, such insurer shall notify the prospective insured or the insured, in writing, of the hurricane deductible and the amount or dollar equivalent of such deductible.

(3) An insurer shall impose a hurricane deductible only for losses due to a hurricane occurring within the state, as reported by the National Oceanographic and Atmospheric Administration National Weather Service, and such imposition shall (A) commence not earlier than upon said National Weather Service's issuance of a hurricane warning for any part of this state, and (B) end upon said National Weather Service's termination of the last hurricane warning for any part of this state or twenty-four hours after the National Weather Service downgrades the hurricane in any part of this state, whichever is earlier.

(4) The commissioner may adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this subsection.

Sec. 2. Section 38a-313a of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2012):

(a) Prior to commencing any repair, remediation or mitigation pursuant to a loss occurring on or after [October 1, 2011] July 1, 2012,
and covered under a personal risk insurance policy, as defined in section 38a-663, or a commercial risk policy, as defined in section 38a-663, the person who will perform the repair, remediation or mitigation shall provide an insured with a written notice that indicates the scope of the work to be completed and the estimated total price. Such notice shall not be required for (1) any repair of an automobile that is subject to this chapter, or (2) any repair that is subject to chapter 400.

(b) If the person performing the repair, remediation or mitigation fails to provide the written notice in accordance with subsection (a) of this section to an insured, any contract between such person and such insured for such repair, remediation or mitigation shall be void.

(c) As used in this section, "remediation" includes, but is not limited to, cleaning services.

Sec. 3. Section 38a-306 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2012):

(a) The form of policy of fire insurance set forth in section 38a-307, as amended by this act, shall be known and designated as "The Standard Fire Insurance Policy of the State of Connecticut". The standard form of policy shall be plainly printed, and no portion thereof shall be in type smaller than the type used in printing such form on file in the office of the commissioner. The provisions of this section shall not limit insurance companies to the use of any particular size of paper or manner of folding the paper upon which their policies may be issued, and each agent who makes, issues or delivers a policy of fire insurance other than the standard form of fire insurance policy shall forfeit for each offense not more than one thousand dollars, but such policy shall be binding upon the issuing company to the same extent and on the same conditions as if it had been in the standard form.

(b) (1) The provisions set forth in the standard form of fire insurance
policy shall apply to a homeowners insurance policy or a commercial
property insurance policy delivered, issued for delivery, renewed,
amended or endorsed in this state, except that the form of such
homeowners or commercial insurance policy shall be known and
designated as "The Standard Homeowners Insurance Policy of the
State of Connecticut" or "The Standard Commercial Property Insurance
Policy of the State of Connecticut", as applicable. Nothing in this
section or section 38a-307, as amended by this act, shall be construed to
prohibit an insurer from providing coverage or terms that are more
favorable to an insured.

(2) Wherever the term "fire insurance policy" or "fire insurance" is
used in the following general statutes, it shall be deemed to include a
homeowners insurance policy and a commercial property insurance
policy, and the perils insured against in such policies: Sections 38a-307,
as amended by this act, 38a-307a, 38a-308 to 38a-311, inclusive, as
amended by this act, 38a-322, 38a-726 and 38a-757.

Sec. 4. Section 38a-307 of the 2012 supplement to the general statutes
is repealed and the following is substituted in lieu thereof (Effective July
1, 2012):

Except as provided in section 38a-307a, the standard form of fire
insurance policy of the state of Connecticut, with permission to
substitute for the word "Company" a more accurate descriptive term of
the type of insurer, shall be as follows:

[Space for insertion of name of company or companies issuing the
policy and other matter permitted to be stated at the head of the
policy.]

[Space for listing amounts of insurance, rates and premiums for the
basic coverages insured under the standard form of policy and for
additional coverages or perils insured under endorsements attached.]

T1 In Consideration of the Provisions and Stipulations
AND OF ................................................................. DOLLARS PREMIUM

this company, for the term from the .... day of .... 20.. at noon,

Standard Time, at location of property involved

to the .... day of .... 20..

of ....


and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere. The actual cash value at the time of loss for a building described herein shall be the amount which it would cost to repair or replace such building with material of like kind and quality, minus reasonable depreciation. As used herein, "depreciation" means a decrease in value of real property over a period of time due to wear and tear.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions
and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

In Witness Whereof, this Company has executed and attested these presents.

…. (Secretary).

…. (President).

Concealment, fraud. This entire policy shall be void if, whether before or after a loss, the insured has wilfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property. This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included. This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) Enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.
Other Insurance. Other insurance may be prohibited or the amount
of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise
provided in writing added hereto this Company shall not be liable for
loss occurring (a) while the hazard is increased by any means within
the control or knowledge of the insured; or (b) while a described
building, whether intended for occupancy by owner or tenant, is
vacant or unoccupied beyond a period of sixty consecutive days; or (c)
as a result of explosion or riot, unless fire [ensue] ensues, and in that
event for loss by fire only.

Other perils or subjects. Any other peril to be insured against or
subject of insurance to be covered in this policy shall be by
endorsement in writing hereon or added hereto.

Added provisions. The extent of the application of insurance under
this policy and of the contribution to be made by this Company in case
of loss, and any other provision or agreement not inconsistent with the
provisions of this policy, may be provided for in writing added hereto,
but no provision may be waived except such as by the terms of this
policy is subject to change.

Waiver provisions. No permission affecting this insurance shall
exist, or waiver of any provision be valid, unless granted herein or
expressed in writing added hereto. No provision, stipulation or
forfeiture shall be held to be waived by any requirement or proceeding
on the part of this Company relating to appraisal or to any
examination provided for herein.

Cancellation of policy. This policy shall be cancelled at any time at
the request of the insured, in which case this Company shall, upon
demand and surrender of this policy, refund the excess of paid
premium above the customary short rates for the expired time. This
policy may be cancelled at any time by this Company by giving to the
insured and any third party designated pursuant to section 38a-323a, a
thirty days' written notice of cancellation accompanied by the reason therefor with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand. Where cancellation is for nonpayment of premium at least ten days' written notice of cancellation accompanied by the reason therefor shall be given.

Mortgagee interests and obligations. If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this Company shall claim that no liability existed as the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

Pro rata liability. This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case loss occurs. The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property,
showing in detail quantities, costs, actual cash value and amount of loss claims; AND WITHIN SIXTY DAYS AFTER THE LOSS, UNLESS SUCH TIME IS EXTENDED IN WRITING BY THIS COMPANY, THE INSURED SHALL RENDER TO THIS COMPANY A PROOF OF LOSS, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: The time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specification of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal. In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent [and disinterested] appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in this state in which
the property covered is located. The appraisers shall then appraise the
loss, stating separately actual cash value and loss to each item; and,
failing to agree, shall submit their differences, only, to the umpire. An
award in writing, so itemized, of any two when filed with this
Company shall determine the amount of actual cash value and loss.
Each appraiser shall be paid by the party selecting him and the
expenses of appraisal and umpire shall be paid by the parties equally.

Company's options. It shall be optional with this Company to take
all, or any part, of the property at the agreed or appraised value, and
also to repair, rebuild or replace the property destroyed or damaged
with other of like kind and quality within a reasonable time, on giving
notice of its intention so to do within thirty days after the receipt of the
proof of loss herein required.

Abandonment. There can be no abandonment to this Company of
any property.

When loss payable. The amount of loss for which this Company
may be liable shall be payable thirty days after proof of loss, as herein
provided, is received by this Company and ascertainment of the loss is
made either by agreement between the insured and this Company
expressed in writing or by the filing with this Company of an award as
herein provided. This Company and the insured may agree in writing
to a partial payment of the amount of loss as an advance payment.
Any advance payment shall be credited against the total amount of
loss due to the insured. An advance payment shall not affect the
requirement of this Company to pay the total amount of loss not later
than thirty days after proof of loss.

Suit. No suit or action on this policy for the recovery of any claim
shall be sustainable in any court of law or equity unless all the
requirements of this policy shall have been complied with, and unless
commenced within eighteen months next after inception of the loss.

Subrogation. This Company may require from the insured an
assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.

Sec. 5. Section 38a-313 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2012):

(a) Nothing contained in [section 38a-307] a fire insurance policy, a homeowners insurance policy or a commercial property insurance policy shall be construed to preclude insurance indemnifying the insured against the amount actually expended, in excess of actual cash value at the time any loss or damage occurs, to repair, rebuild or replace the insured property.

(b) If a fire insurance policy, a homeowners insurance policy or a commercial property insurance policy provides coverage for a covered loss on a replacement cost basis, the insurer shall not deny full or partial payment for a covered loss occurring on or after July 1, 2012, on the basis that the repair, rebuilding or replacement has not been completed by a date certain if the insured has made a claim with the insurer for such loss not later than one hundred eighty days after the date of loss.

Sec. 6. Section 38a-314 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2012):

No condition in any policy of insurance against loss by [fire] an insured peril shall be valid unless stated in the body of the policy.

| This act shall take effect as follows and shall amend the following sections: |
|-------------------------------|-----------------|-----------------|
| Section 1                     | July 1, 2012    | 38a-316a        |
| Sec. 2                        | July 1, 2012    | 38a-313a        |
| Sec. 3                        | July 1, 2012    | 38a-306         |
| Sec. 4                        | July 1, 2012    | 38a-307         |
| Sec. 5                        | July 1, 2012    | 38a-313         |
| Sec. 6                        | July 1, 2012    | 38a-314         |
Statement of Purpose:
To make various changes to property and casualty insurance statutes.

[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.]