



Substitute House Bill No. 5230

Public Act No. 12-162

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 Section 38a-316a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2012*):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) For a (A) personal risk insurance policy, as defined in section 38a-663, other than a private passenger nonfleet automobile insurance policy, (B) condominium association master policy under section 47-83, or (C) unit owners' association property insurance policy under section 47-255, issued or renewed on or after July 1, 2012, an insurer may impose a hurricane deductible in such policy in lieu of an overall policy deductible during the period commencing with the issuance of a hurricane warning by the National Hurricane Center of the National Weather Service in any part of the state if such hurricane results in a

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maximum sustained surface wind of seventy-four miles per hour or more for any part of this state.

(2) Such imposition shall be applied during the period (A) commencing not earlier than the National Weather Service National Hurricane Center's issuance of a hurricane warning for any part of this state, and (B) ending twenty-four hours after said National Hurricane Center's termination of the last hurricane warning for any part of this state or twenty-four hours after said National Hurricane Center's last downgrade of the hurricane from hurricane status for any part of this state, whichever is earlier.

(3) The commissioner may adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of subdivision (1) of this subsection and the most current guidelines and bulletins issued by the Insurance Department and in effect that pertain to hurricane deductibles.

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 Section 38a-313a of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):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, [or] 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, [or] 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, [or] remediation or

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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, [or] 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-308 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):

(a) No policy or contract of fire insurance shall be made, issued or delivered by any insurer or any agent or representative thereof, on any property in this state, unless it conforms as to all provisions, stipulations, agreements and conditions with the form of policy set forth in section 38a-307. There shall be printed at the head of such policy the name of the insurer or insurers issuing the policy, the location of the home office thereof, a statement showing whether such insurer or insurers are stock or mutual corporations or are reciprocal insurers or Lloyd's underwriter, provided any company organized under special charter provisions may so indicate upon its policy and may add a statement of the plan under which it operates in this state, and there may be added thereon such device or devices as the insurer or insurers issuing such policy desire. Such policy shall be clearly designated on the back of the form as "The Standard Fire Insurance Policy of the State of Connecticut"; and this designation may include the names of such other states as have adopted this standard form. The standard fire insurance policy provided for in section 38a-307 need not be used for effecting reinsurance between insurers. If the policy is issued by a mutual, cooperative or reciprocal insurer having special regulations with respect to the payment by the policyholder of assessments, such regulations shall be printed upon the policy and any such insurer may print upon the policy such regulations as are appropriate to or required by its form of organization. Insurers issuing

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the standard fire insurance policy pursuant to section 38a-307 are authorized to affix thereto or include therein a written statement that the policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under such policy; provided nothing herein contained shall be construed to prohibit the attachment to any such policy of an endorsement or endorsements specifically assuming coverage for loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination.

(b) Any policy or contract [which] that includes, either on an unspecified basis as to coverage or for an indivisible premium, coverage against the peril of fire and substantial coverage against other perils need not comply with the provisions of subsection (a) [hereof] of this section, provided: (1) [such] Such policy or contract shall afford coverage, with respect to the peril of fire, not less than the substantial equivalent of the coverage afforded by said standard fire insurance policy; [.] (2) the following provisions in [relation to mortgagee] said standard fire insurance policy are incorporated therein without change: (A) Mortgagee interests and obligations, [in said standard fire insurance policy shall be incorporated therein without change,] (B) the definitions of actual cash value and depreciation, (C) the time period for when a loss is payable after proof of loss, and (D) the time period for when a suit or action for the recovery of a claim may be commenced; (3) such policy or contract is complete as to all of its terms without reference to any other document; and (4) the commissioner is satisfied that such policy or contract complies with the provisions hereof. The provisions of this subsection shall apply to any such policy or contract issued or renewed on or after July 1, 2012.

(c) None of the provisions of this section shall apply to policies of automobile or aircraft physical damage insurance or to policies of inland marine insurance.

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(d) The provisions of section 38a-346 shall apply in the event of cancellation of a policy issued pursuant to this chapter.

(e) Any policies made, issued or delivered through a fire, liability and allied lines underwriting facility established by the Insurance Commissioner pursuant to section 38a-328 shall not be subject to the cancellation of policy provisions or notice of cancellation requirements of section 38a-307, provided such policies comply with any regulation adopted by the Insurance Commissioner pursuant to subsection (a) of section 38a-328.

Sec. 4. Section 38a-726 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):

(a) No public adjuster shall charge or collect a fee if, within thirty days of a loss to a structure covered by a fire insurance policy, the insurer offers in writing to pay the full policy limits.

(b) Any fee charged to an insured by a public adjuster shall be based only on the amount of the insurance settlement proceeds actually received by the insured and shall be collected by such public adjuster after the insured has received such proceeds from the insurer.

Approved June 15, 2012