
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)