
OLR Bill Analysis**sHB 5143*****AN ACT CONCERNING INSURANCE COVERAGE FOR PERISHABLE FOOD DONATED BY CERTAIN FOOD ESTABLISHMENTS.*****SUMMARY:**

This bill requires insurers that sell commercial risk insurance policies or riders that cover food spoilage to cover to the same extent donations of perishable food to temporary emergency shelters, under certain circumstances and subject to several limitations. The requirement applies to a policy or rider delivered, issued for delivery, renewed, amended, or continued in this state for a class III or class IV food establishment under the public health code (e.g., grocery stores and restaurants).

The bill exempts a food establishment that makes a donation under these provisions from liability for civil damages or criminal penalties resulting from the food's nature, age, condition, or packaging, unless it is established that (1) the donor, at the time of making the donation, knew or had reasonable grounds to believe that the food was (a) embargoed or ordered destroyed by the Department of Public Health (DPH), a local health director, or are authorized agent, (b) adulterated, or (c) not fit for human consumption or (2) the temporary emergency shelter knew or had reasonable grounds to believe these things at the time of distributing the food.

To the extent a tax deduction or tax credit is allowed under state law for such donations, no food establishment that donates perishable food under the bill and receives payment from an insurer for the donation may claim the tax deduction or credit for the amount of the payment.

EFFECTIVE DATE: October 1, 2012

INSURANCE COVERAGE OF DONATED FOOD

Under the bill, any insurer that delivers, issues for delivery, renews, amends, or continues a commercial risk insurance policy or rider in the state that covers the spoilage of perishable food must provide coverage to the same extent for perishable food that is donated to a temporary emergency shelter operated or supervised by a municipality or the state during a state of emergency for a limited time period, if:

1. the governor proclaims a state of emergency;
2. as a result or as part of the emergency, an electrical outage or interruption of electrical service to the insured has occurred and the insured's electric supplier forecasts that the outage will last longer than the period prescribed by DPH, the local health director, or are authorized agent for the safe handling of perishable food; and
3. the food is donated while it is still safe to handle.

The food establishment may not donate the food if (1) DPH, the local health director, or are authorized agent has embargoed or ordered the food destroyed; (2) the Department of Consumer Protection or its authorized agent has deemed the food to be adulterated; or (3) the food is not fit for human consumption.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 16 Nay 3 (03/15/2012)