



General Assembly

January Session, 2013

Raised Bill No. 6379

LCO No. 2801



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING SURPLUS LINES INSURANCE BROKERS.

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

1 Section 1. Section 38a-741 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The commissioner shall maintain on a current basis a list of those
4 lines of insurance or their components for which coverages are
5 believed by the commissioner to be generally unavailable from
6 licensed insurers. The commissioner shall republish the list and make
7 it available to all licensees every six months. Any person may request
8 in writing that the commissioner add or remove a line of insurance or
9 its component from the current list at the next publication of the list.
10 The commissioner's determinations of lines of insurance or their
11 components to be added to or removed from the list shall not be
12 subject to chapter 54 provided prior to making determinations, the
13 commissioner shall provide opportunity for comments from interested
14 persons.

15 (b) (1) When any policy of insurance is procured or renewed under

16 the authority of such license providing a line of insurance or its
17 component that does not, on the effective date of coverage, appear on
18 the current published list, both the licensee and the insured shall
19 [execute affidavits] write signed statements setting forth facts showing
20 that such licensee and such insured were unable after diligent effort to
21 procure, from any authorized insurer or insurers, the full amount of
22 insurance required to protect the interest of such insured, and further
23 showing (A) that the amount of insurance procured from an
24 unauthorized insurer or insurers is only the excess over the amount so
25 procurable from authorized insurers, (B) the type of policy, and (C) if
26 such policy is for real property, the location of such property. Such
27 licensee shall file such [affidavits] signed statements with the
28 commissioner not later than forty-five days after such policies have
29 been procured or renewed.

30 (2) The provisions of subdivision (1) of this subsection shall not
31 apply to any policy of insurance procured under the authority of such
32 license for an insured that is an exempt commercial purchaser, as
33 defined in Section 527 of the Dodd-Frank Wall Street Reform and
34 Consumer Protection Act, P.L. 111-203, as amended from time to time,
35 provided (A) the surplus lines broker has disclosed to such exempt
36 commercial purchaser that such insurance may or may not be available
37 from an authorized insurer, that may provide greater protection with
38 more regulatory oversight, and (B) such exempt commercial purchaser
39 has subsequently requested such broker, in writing, to procure such
40 policy from an unauthorized insurer.

41 Sec. 2. Section 38a-777 of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective from passage*):

43 Any licensee under sections 38a-741 to 38a-744, inclusive, as
44 amended by this act, or section 38a-794 who negotiates, continues or
45 renews any contract for insurance in any unauthorized company, and
46 who [neglects] fails to make and file the [affidavit and] statements
47 required [by said sections] under section 38a-741, as amended by this

48 act, or who wilfully makes a false [affidavit or] statement, or who
49 negotiates, continues or renews any such contract of insurance after
50 the revocation or during the suspension of the licensee's license, shall
51 forfeit the license if not previously revoked and shall be fined not more
52 than four thousand dollars or imprisoned not more than six months, or
53 both.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-741
Sec. 2	<i>from passage</i>	38a-777

Statement of Purpose:

To allow surplus lines brokers and insureds to write signed statements in lieu of executing affidavits when such brokers and insureds are unable to procure insurance from an authorized insurer, and to require additional information in such signed statements.

[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.]