



General Assembly

January Session, 2013

**Raised Bill No. 6380**

LCO No. 2856



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING PROPERTY AND CASUALTY INSURANCE  
POLICIES AND HOME IMPROVEMENT CONTRACTORS.***

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

1 Section 1. (NEW) (*Effective October 1, 2013*) (a) When a loss covered  
2 under a personal or commercial risk insurance policy requires the  
3 repair or replacement of any damaged item, part, component or  
4 material and such repair or replacement will not uniformly match  
5 adjacent undamaged items, parts, components or materials as to  
6 composition, color, texture, size or quality, such policy shall provide,  
7 subject to any applicable limit, for repair or replacement of adjacent  
8 undamaged items, parts, components or materials to achieve such  
9 uniformity. Any additional damage that is necessarily or unavoidably  
10 caused while such repair or replacement is being performed shall be  
11 included in the covered loss.

12 (b) Nothing in this subsection shall be construed to impose liability  
13 on an insurer as a warrantor of any work performed pursuant to this  
14 subsection.

15 (c) Nothing in this subsection shall be construed to authorize or  
16 preclude enforcement of policy provisions relating to settlement  
17 disputes.

18 Sec. 2. (NEW) (*Effective October 1, 2013*) (a) The declination,  
19 cancellation or nonrenewal of a homeowners insurance policy is  
20 prohibited if the declination, cancellation or nonrenewal is based solely  
21 on a loss incurred as a result of a catastrophic event. For the purposes  
22 of this section, an insurer shall not be deemed to have declined,  
23 cancelled or nonrenewed a policy if coverage is available through an  
24 affiliated insurer.

25 (b) The declination or nonrenewal of a homeowners insurance  
26 policy, the addition of a surcharge on a claim or an increase in the  
27 premium of such policy is prohibited if the declination, nonrenewal,  
28 surcharge or increase is based on any claim filed on the covered  
29 property while such property was owned by anyone other than the  
30 current applicant or insured, unless the risk from which such claim  
31 originated has not been mitigated.

32 (c) The cancellation or nonrenewal of a homeowners insurance  
33 policy or an increase in the premium of such policy is prohibited if the  
34 cancellation, nonrenewal or increase is based solely on inquiries made  
35 on such policy or a claim filed under such policy that resulted in a loss  
36 coverage payment by the insurer of less than five hundred dollars or in  
37 no loss coverage payment. Such prohibition shall not apply if the  
38 insured filed more than one claim resulting from a noncatastrophic  
39 event in the three policy years immediately preceding that resulted in  
40 any loss coverage payment by the insurer.

41 Sec. 3. Subsection (b) of section 20-427 of the general statutes is  
42 repealed and the following is substituted in lieu thereof (*Effective*  
43 *October 1, 2013*):

44 (b) No person shall: (1) Present or attempt to present, as such  
45 person's own, the certificate of another, (2) knowingly give false

46 evidence of a material nature to the commissioner for the purpose of  
47 procuring a certificate, (3) represent himself or herself falsely as, or  
48 impersonate, a registered home improvement contractor or salesman,  
49 (4) use or attempt to use a certificate which has expired or which has  
50 been suspended or revoked, (5) offer to make or make any home  
51 improvement without having a current certificate of registration under  
52 this chapter, (6) represent in any manner that such person's  
53 registration constitutes an endorsement of the quality of such person's  
54 workmanship or of such person's competency by the commissioner, (7)  
55 employ or allow any person to act as a salesman on such person's  
56 behalf unless such person is registered as a home improvement  
57 salesman, [or] (8) fail to refund the amount paid for a home  
58 improvement within ten days of a written request mailed or delivered  
59 to the contractor's last known address, if no substantial portion of the  
60 contracted work has been performed at the time of the request and  
61 more than thirty days has elapsed since the starting date specified in  
62 the written contract, or more than thirty days has elapsed since the  
63 date of the contract if such contract does not specify a starting date, or  
64 (9) if such person is a home improvement contractor, engage in the  
65 activities of a public adjuster, as defined in section 38a-723, except that  
66 a home improvement contractor may explain or discuss a bid for  
67 construction or repair of property loss or damage covered under a  
68 homeowners insurance policy with an owner of such property or the  
69 insurer of such property, if such contractor does so for the usual and  
70 customary fees applicable to the work to be performed as stated in the  
71 home improvement contract between the contractor and the owner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	New section
Sec. 2	<i>October 1, 2013</i>	New section
Sec. 3	<i>October 1, 2013</i>	20-427(b)

**Statement of Purpose:**

To (1) require personal and commercial risk insurance policies to provide, for a covered loss that requires repair or replacement of damaged items, parts, components or materials, for the repair or replacement of adjacent undamaged items, parts, components or materials to achieve uniformity as to composition, color, texture, size or quality, (2) regulate the declination, cancellation, nonrenewal of and premium increases for homeowners insurance policies, and (3) specify that a home improvement contractor shall not engage in the activities of a public adjuster.

*[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.]*