



Substitute House Bill No. 6380

Public Act No. 13-138

***AN ACT CONCERNING PROPERTY AND CASUALTY INSURANCE
POLICIES AND PUBLIC ADJUSTER CONTRACTS.***

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

Section 1. (NEW) (*Effective October 1, 2013*) (a) When a covered loss for real property requires the replacement of an item or items and the replacement item or items do not match adjacent items in quality, color or size, the insurer shall replace all such items with material of like kind and quality so as to conform to a reasonably uniform appearance. This provision shall apply to interior and exterior covered losses.

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

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

Sec. 2. (NEW) (*Effective October 1, 2013*) (a) The declination, cancellation or nonrenewal of a homeowners insurance policy is prohibited if the declination, cancellation or nonrenewal is based solely on a loss incurred as a result of a catastrophic event as declared by a nationally recognized catastrophe loss index provider. For the

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purposes of this section, an insurer shall not be deemed to have declined, cancelled or nonrenewed a policy if coverage is available through an affiliated insurer.

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

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

Sec. 3. Section 38a-724 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2013*):

(a) The use of an employment contract between a public adjuster and the insured shall be mandatory. [Such]

(1) Any such contract signed on or after October 1, 2013, shall contain a provision, prominently displayed on the first page of such contract in not less than twelve-point boldface type, specifying that the insured may cancel the contract, provided such insured notifies the public adjuster at such public adjuster's main office or branch office at the address shown in the contract, by certified mail, return receipt

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requested, posted not later than midnight of the [second] fourth calendar day after the day on which the insured signs the contract, except that if the signing is on a Friday, Saturday or Sunday, the cancellation shall be posted not later than midnight of the [Tuesday] Thursday immediately following, and thereafter the contract shall be void ab initio.

(2) Any such contract signed on or after October 1, 2013, that does not display the provision as specified in subdivision (1) of this subsection shall be void ab initio.

(b) No public adjuster shall solicit an insured between the hours of eight o'clock p.m. and eight o'clock a.m.

Sec. 4. Subsection (d) of section 38a-788 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2013*):

(d) The commissioner may adopt such regulations in accordance with the provisions of chapter 54, [as he deems necessary,] with respect to the form and manner of filing of application for license as a public adjuster and the issuance, suspension and revocation of such licenses and the conduct of hearings in connection therewith, the manner in which public adjusters shall conduct their business, including limitations on fees [which] that may be charged [,] and the form of the employment contract between a public adjuster and a client. The use of such contract shall be mandatory. Such contract shall contain [a] the provision [specifying that the client may cancel the contract, provided he notifies the public adjuster at his main office or branch office at the address shown in the contract, by certified mail, return receipt requested, posted not later than midnight of the second calendar day after the day on which the client signs the contract, except that if the signing is on a Friday, Saturday or Sunday, the cancellation shall be posted not later than midnight of the Tuesday

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immediately following, and thereafter the contract shall be void ab initio] specified in subsection (a) of section 38a-724, as amended by this act.

Approved June 18, 2013