



House of Representatives

General Assembly

File No. 394

January Session, 2015

House Bill No. 5064

House of Representatives, April 2, 2015

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING HURRICANE DEDUCTIBLES FOR HOMEOWNERS INSURANCE POLICIES.

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

1 Section 1. Subsection (b) of section 38a-316a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2015*):

4 (b) (1) For a (A) personal risk insurance policy, as defined in section
5 38a-663, other than a private passenger nonfleet automobile insurance
6 policy, (B) condominium association master policy under section 47-83,
7 or (C) unit owners' association property insurance policy under section
8 47-255, issued or renewed on or after October 1, [2012] 2015, an insurer
9 may impose a hurricane deductible in such policy in lieu of an overall
10 policy deductible during the period commencing with the issuance of
11 a hurricane warning by the National Hurricane Center of the National
12 Weather Service in any part of the state if such hurricane results in a
13 maximum sustained surface wind of seventy-four miles per hour or
14 more for any part of this state. Any hurricane deductible shall be

15 offered on a state-wide basis.

16 (2) Such imposition shall be applied during the period (A)
17 commencing not earlier than the National Weather Service National
18 Hurricane Center's issuance of a hurricane warning for any part of this
19 state, and (B) ending twenty-four hours after said National Hurricane
20 Center's termination of the last hurricane warning for any part of this
21 state or twenty-four hours after said National Hurricane Center's last
22 downgrade of the hurricane from hurricane status for any part of this
23 state, whichever is earlier.

24 (3) The commissioner may adopt regulations, in accordance with the
25 provisions of chapter 54, to implement the provisions of subdivision
26 (1) of this subsection and the most current guidelines and bulletins
27 issued by the Insurance Department and in effect that pertain to
28 hurricane deductibles.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	38a-316a(b)

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill requires that any hurricane deductible for homeowner's insurance policies be offered on a statewide basis. As this concerns private insurance coverage, there is no state or municipal fiscal impact.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 5064*****AN ACT CONCERNING HURRICANE DEDUCTIBLES FOR HOMEOWNERS INSURANCE POLICIES.*****SUMMARY:**

This bill requires insurers that impose hurricane deductibles on certain property and casualty insurance policies issued or renewed on or after October 1, 2015 to offer the hurricane deductibles on a statewide basis. It applies to (1) homeowners, tenants, mobile manufactured home, and other property and casualty insurance policies for personal, family, or household needs other than workers' compensation insurance; (2) condominium association master policies; and (3) unit owners' association property insurance policies.

EFFECTIVE DATE: October 1, 2015

BACKGROUND***Hurricane Deductible***

The law allows insurers to impose a hurricane deductible for losses claimed in the policy, instead of an overall policy deductible, which would be invoked if a hurricane results in a maximum sustained surface wind of 74 or more miles per hour for any part of the state. The deductible applies to any losses occurring from the time the National Hurricane Center issues a hurricane warning for any part of the state and ends 24 hours after the center (1) terminates the last hurricane warning for any part of the state or (2) issues its last downgrade of the hurricane from hurricane status for any part of the state, whichever is earlier.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 12 Nay 7 (03/19/2015)