



General Assembly

January Session, 2015

Raised Bill No. 6864

LCO No. 3074



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING THE PROVISIONS OF THE STANDARD FIRE POLICY FORM.

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

1 Section 1. Section 38a-308 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) (1) No policy or contract of fire insurance and no policy or
4 contract that includes, either on an unspecified basis as to coverage or
5 for an indivisible premium, coverage against the peril of fire and
6 substantial coverage against other perils shall be made, issued,
7 renewed or delivered by any admitted or nonadmitted insurer or any
8 agent or representative thereof, on any property in this state, unless it
9 [conforms as to] incorporates without change all provisions,
10 stipulations, agreements and conditions with the form of policy set
11 forth in section 38a-307, except: [that] (A) An insurer may include
12 provisions, stipulations, agreements and conditions that are more
13 favorable to the insured than as set forth in section 38a-307; and (B) a
14 policy or contract of fire insurance for a commercial property made,
15 issued, renewed or delivered by a nonadmitted insurer or any agent or

16 representative thereof may define "depreciation" differently than as set
17 forth in section 38a-307. A policy or contract that includes, either on an
18 unspecified basis as to coverage or for an indivisible premium,
19 coverage against the peril of fire and substantial coverage against other
20 perils shall afford coverage, with respect to the peril of fire, not less
21 than the substantial equivalent of the coverage afforded by said
22 standard fire insurance policy.

23 (2) There shall be printed at the head of such policy the name of the
24 insurer or insurers issuing the policy, the location of the home office
25 thereof, a statement showing whether such insurer or insurers are
26 stock or mutual corporations or are reciprocal insurers or Lloyd's
27 underwriter, provided any company organized under special charter
28 provisions may so indicate upon its policy and may add a statement of
29 the plan under which it operates in this state, and there may be added
30 thereon such device or devices as the insurer or insurers issuing such
31 policy desire. Such policy shall be clearly designated on the back of the
32 form as "The Standard Fire Insurance Policy of the State of
33 Connecticut"; and this designation may include the names of such
34 other states as have adopted this standard form.

35 (3) The standard fire insurance policy provided for in section 38a-
36 307 need not be used for effecting reinsurance between insurers. If the
37 policy is issued by a mutual, cooperative or reciprocal insurer having
38 special regulations with respect to the payment by the policyholder of
39 assessments, such regulations shall be printed upon the policy and any
40 such insurer may print upon the policy such regulations as are
41 appropriate to or required by its form of organization. Insurers issuing
42 the standard fire insurance policy pursuant to section 38a-307 are
43 authorized to affix thereto or include therein a written statement that
44 the policy does not cover loss or damage caused by nuclear reaction or
45 nuclear radiation or radioactive contamination, all whether directly or
46 indirectly resulting from an insured peril under such policy, [
47 provided nothing herein contained] except nothing in this subdivision
48 shall be construed to prohibit the attachment to any such policy of an

49 endorsement or endorsements specifically assuming coverage for loss
50 or damage caused by nuclear reaction or nuclear radiation or
51 radioactive contamination.

52 [(b) Any policy or contract that includes, either on an unspecified
53 basis as to coverage or for an indivisible premium, coverage against
54 the peril of fire and substantial coverage against other perils need not
55 comply with the provisions of subsection (a) of this section, provided:
56 (1) Such policy or contract shall afford coverage, with respect to the
57 peril of fire, not less than the substantial equivalent of the coverage
58 afforded by said standard fire insurance policy; (2) except as provided
59 under subdivision (1) of subsection (a) of this section for a policy or
60 contract of fire insurance for a commercial property made, issued or
61 delivered by a surplus lines insurer or any agent or representative
62 thereof, the following provisions in said standard fire insurance policy
63 are incorporated therein without change: (A) Mortgagee interests and
64 obligations, (B) the definitions of actual cash value and depreciation,
65 (C) the time period for when a loss is payable after proof of loss, and
66 (D) the time period for when a suit or action for the recovery of a claim
67 may be commenced; (3) such policy or contract is complete as to all of
68 its terms without reference to any other document; and (4) the
69 commissioner is satisfied that such policy or contract complies with the
70 provisions hereof. The provisions of this subsection shall apply to any
71 such policy or contract issued or renewed on or after July 1, 2014.]

72 (b) No umpire selected pursuant to the appraisal provision of the
73 policy or contract shall require or enter into any agreement or contract
74 that directs the payment of such umpire's expenses to be made directly
75 from any award, unless a policyholder requests in writing such
76 agreement or contract.

77 (c) None of the provisions of this section shall apply to policies of
78 automobile or aircraft physical damage insurance or to policies of
79 inland marine insurance.

80 (d) The provisions of section 38a-346 shall apply in the event of
81 cancellation of a policy issued pursuant to this chapter.

82 (e) Any policies made, issued, renewed or delivered through a fire,
83 liability and allied lines underwriting facility established by the
84 Insurance Commissioner pursuant to section 38a-328 shall not be
85 subject to the cancellation of policy provisions or notice of cancellation
86 requirements of section 38a-307, provided such policies comply with
87 any regulation adopted by the Insurance Commissioner pursuant to
88 subsection (a) of section 38a-328.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2015</i> | 38a-308 |

Statement of Purpose:

To require all provisions, stipulations, agreements and conditions with the form of policy set forth in section 38a-307 of the general statutes to be incorporated without change and prohibit umpires selected pursuant to the appraisal provision of a policy or contract from requiring or entering into agreements or contracts that direct payment for such umpire's expenses be made directly from any award.

[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.]