



General Assembly

Amendment

February Session, 2016

LCO No. 4540



Offered by:
REP. MEGNA, 97th Dist.

To: House Bill No. 5520

File No. 289

Cal. No. 213

(As Amended by House Amendment Schedule "A")

"AN ACT CONCERNING HOMEOWNERS AND MOTOR VEHICLE INSURANCE POLICIES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 38a-663 of the 2016 supplement to the general
4 statutes is repealed and the following is substituted in lieu thereof
5 (*Effective October 1, 2016*):

6 The following words and phrases, as used in sections 38a-663 to
7 38a-696, inclusive, shall have the following meanings unless the
8 context otherwise requires:

9 (1) "Rating organization" means an individual, partnership,
10 corporation, unincorporated association, other than an admitted
11 insurer, whether located within or outside this state, who or that has as
12 a primary object or purpose the making of rates, rating plans or rating

13 systems. Two or more admitted insurers that act in concert for the
14 purpose of making rates, rating plans or rating systems, and that do
15 not operate within the specific authorizations contained in sections
16 38a-667, 38a-669, 38a-670 and 38a-672 shall be deemed to be a rating
17 organization. No single insurer shall be deemed to be a rating
18 organization.

19 (2) "Advisory organization" means every group, association or other
20 organization of insurers, whether located within or outside this state,
21 that assists insurers or rating organizations in rate-making by the
22 collection and furnishing of loss or expense statistics, or by the
23 submission of recommendations, provided the term shall not include
24 actuarial, legal or other consultants.

25 (3) "Member" means an insurer that participates in or is entitled to
26 participate in the management of a rating, advisory or other
27 organization.

28 (4) "Subscriber" means an insurer that is furnished at its request (A)
29 with rates and rating manuals by a rating organization of which it is
30 not a member, or (B) with advisory services by an advisory
31 organization of which it is not a member.

32 (5) "Wilful" and "wilfully" in relation to an act or omission that
33 constitutes a violation of sections 38a-663 to 38a-681, inclusive, means
34 with actual knowledge or belief that such act or omission constitutes
35 such violation and with specific intent to commit such violation.

36 (6) "Market" means the interaction between buyers and sellers
37 consisting of a product market component and a geographic market
38 component, as determined by the commissioner in accordance with the
39 provisions of subsection (b) of section 38a-687.

40 (7) "Noncompetitive market" means a residual market or a market
41 for which there is a ruling in effect pursuant to section 38a-687, that a
42 reasonable degree of competition does not exist.

43 (8) "Competitive market" means a market that has not been found to
44 be noncompetitive pursuant to section 38a-687.

45 (9) "Personal risk insurance" means homeowners, tenants, private
46 passenger nonfleet automobile, mobile manufactured home and other
47 property and casualty insurance for personal, family or household
48 needs except workers' compensation insurance.

49 (10) "Homeowners insurance" means property and casualty
50 insurance for owner-occupied buildings with four or fewer dwelling
51 units.

52 [(10)] (11) "Commercial risk insurance" means insurance within the
53 scope of sections 38a-663 to 38a-696, inclusive, that is not personal risk
54 insurance.

55 [(11)] (12) "Supplementary rate information" includes any manual or
56 plan of rates, classification, rating schedule, minimum premium, rating
57 rule, and any other similar information needed to determine the
58 applicable rate in effect or to be in effect.

59 [(12)] (13) "Supporting information" means (A) the experience and
60 judgment of the filer and the experience or data of other insurers or
61 organizations relied upon by the filer, (B) the interpretation of any
62 statistical data relied upon by the filer, and (C) descriptions of methods
63 used in making the rates, and other similar information required to be
64 filed by the commissioner.

65 [(13)] (14) "Residual market" means an arrangement for the
66 provision of insurance in accordance with the provisions of section
67 38a-328, 38a-329 or 38a-670.

68 Sec. 2. Section 38a-323a of the general statutes is repealed and the
69 following is substituted in lieu thereof (*Effective October 1, 2017*):

70 (a) Each insurer that issues, renews, amends or endorses an
71 automobile or homeowners insurance policy in this state on or after
72 October 1, [2002] 2017, shall include with the policy a conspicuous

73 statement specifying that any individual [aged fifty-five or over] may
74 designate a third party to receive notice of cancellation or nonrenewal
75 of the policy. The statement shall include a designation form and
76 mailing address the [senior citizen] individual may use to designate a
77 third party. Such statement shall be in a form approved by the
78 Insurance Commissioner.

79 (b) No designation form shall be effective unless it contains a
80 written acceptance by the third party designee to receive copies of
81 notices of cancellation or nonrenewal from the insurer on behalf of the
82 [senior citizen] individual. The third party designation shall be
83 effective not later than ten business days after the date the insurer
84 receives the designation form and the acceptance of the third party.
85 The third party may terminate the status as a third party designee by
86 providing written notice to both the insurer and the [senior citizen]
87 insured individual. The [senior citizen] individual may terminate the
88 third party designation by providing written notice to the insurer and
89 the third party designee. The insurer may require the [senior citizen]
90 individual and the third party to send the notices to the insurer by
91 certified mail, return receipt requested.

92 (c) The insurer's transmission to the third party designee of a copy
93 of any notice of cancellation or nonrenewal shall be in addition to the
94 transmission of the original document to the [senior citizen] insured
95 individual. When a third party is so designated, all such notices and
96 copies shall be mailed in an envelope clearly marked on its face with
97 the following: "IMPORTANT INSURANCE POLICY INFORMATION:
98 OPEN IMMEDIATELY". The copy of the notice of cancellation or
99 nonrenewal transmitted to the third party shall be governed by the
100 same law and policy provisions that govern the notice being
101 transmitted to the [senior citizen] insured individual. The designation
102 of a third party shall not constitute acceptance of any liability on the
103 part of the third party or insurer for services provided to the [senior
104 citizen] insured individual."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	38a-663
Sec. 2	<i>October 1, 2017</i>	38a-323a