



House of Representatives

General Assembly

File No. 358

February Session, 2016

Substitute House Bill No. 5516

House of Representatives, March 31, 2016

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 substitute bill ought to pass.

AN ACT CONCERNING THE STANDARD FIRE INSURANCE POLICY.

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 Section 38a-308 of the general statutes is repealed and the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, 2016*):

3 (a) (1) No policy or contract of fire insurance shall be made, issued
4 or delivered by any admitted or nonadmitted insurer or any agent or
5 representative thereof, on any property in this state, unless it conforms
6 as to all provisions, stipulations, agreements and conditions with the
7 form of policy set forth in section 38a-307, except that a policy or
8 contract of fire insurance for a commercial property made, issued or
9 delivered by a nonadmitted insurer or any agent or representative
10 thereof may define "depreciation" differently than as set forth in
11 section 38a-307.

12 (2) There shall be printed at the head of such policy the name of the
13 insurer or insurers issuing the policy, the location of the home office
14 thereof, a statement showing whether such insurer or insurers are

15 stock or mutual corporations or are reciprocal insurers or Lloyd's
16 underwriter, provided any company organized under special charter
17 provisions may so indicate upon its policy and may add a statement of
18 the plan under which it operates in this state, and there may be added
19 thereon such device or devices as the insurer or insurers issuing such
20 policy desire. Such policy shall be clearly designated on the back of the
21 form as "The Standard Fire Insurance Policy of the State of
22 Connecticut"; and this designation may include the names of such
23 other states as have adopted this standard form.

24 (3) The standard fire insurance policy provided for in section 38a-
25 307 need not be used for effecting reinsurance between insurers. If the
26 policy is issued by a mutual, cooperative or reciprocal insurer having
27 special regulations with respect to the payment by the policyholder of
28 assessments, such regulations shall be printed upon the policy and any
29 such insurer may print upon the policy such regulations as are
30 appropriate to or required by its form of organization. Insurers issuing
31 the standard fire insurance policy pursuant to section 38a-307 are
32 authorized to affix thereto or include therein a written statement that
33 the policy does not cover loss or damage caused by nuclear reaction or
34 nuclear radiation or radioactive contamination, all whether directly or
35 indirectly resulting from an insured peril under such policy; provided
36 nothing herein contained shall be construed to prohibit the attachment
37 to any such policy of an endorsement or endorsements specifically
38 assuming coverage for loss or damage caused by nuclear reaction or
39 nuclear radiation or radioactive contamination.

40 (b) Any policy or contract that includes, either on an unspecified
41 basis as to coverage or for an indivisible premium, coverage against
42 the peril of fire and substantial coverage against other perils need not
43 comply with the provisions of subsection (a) of this section, provided:
44 (1) Such policy or contract shall afford coverage, with respect to the
45 peril of fire, not less than the substantial equivalent of the coverage
46 afforded by said standard fire insurance policy; (2) except as provided
47 under subdivision (1) of subsection (a) of this section for a policy or
48 contract of fire insurance for a commercial property made, issued or

49 delivered by a [surplus lines] nonadmitted insurer or any agent or
 50 representative thereof, the following provisions in said standard fire
 51 insurance policy are incorporated therein without change: (A)
 52 Mortgagee interests and obligations, (B) the definitions of actual cash
 53 value and depreciation, (C) the time period for when a loss is payable
 54 after proof of loss, and (D) the time period for when a suit or action for
 55 the recovery of a claim may be commenced; (3) such policy or contract
 56 is complete as to all of its terms without reference to any other
 57 document; and (4) the commissioner is satisfied that such policy or
 58 contract complies with the provisions hereof. The provisions of this
 59 subsection shall apply to any such policy or contract issued or renewed
 60 on or after July 1, 2014.

61 (c) None of the provisions of this section shall apply to policies of
 62 automobile or aircraft physical damage insurance or to policies of
 63 inland marine insurance.

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

66 (e) Any policies made, issued or delivered through a fire, liability
 67 and allied lines underwriting facility established by the Insurance
 68 Commissioner pursuant to section 38a-328 shall not be subject to the
 69 cancellation of policy provisions or notice of cancellation requirements
 70 of section 38a-307, provided such policies comply with any regulation
 71 adopted by the Insurance Commissioner pursuant to subsection (a) of
 72 section 38a-328.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	38a-308

INS *Joint Favorable Subst.*

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 makes a technical change and does not result in a fiscal impact.

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

OLR Bill Analysis

sHB 5516

AN ACT CONCERNING THE STANDARD FIRE INSURANCE POLICY.

SUMMARY:

This bill makes a technical change to an insurance statute.

EFFECTIVE DATE: October 1, 2016

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/16/2016)