



General Assembly

**Amendment**

February Session, 2016

LCO No. 5376



Offered by:

REP. MEGNA, 97<sup>th</sup> Dist.  
SEN. CRISCO, 17<sup>th</sup> Dist.  
REP. ORANGE, 48<sup>th</sup> Dist.

REP. CONROY, 105<sup>th</sup> Dist.  
REP. JOHNSON, 49<sup>th</sup> Dist.  
REP. HAMPTON, 16<sup>th</sup> Dist.

To: Subst. House Bill No. 5518

File No. 410

Cal. No. 274

**"AN ACT IMPOSING A SURCHARGE ON CERTAIN PERSONAL RISK INSURANCE POLICIES TO FUND REGIONAL FIRE SCHOOLS' OPERATING BUDGETS AND CERTAIN FIREFIGHTER TRAINING COSTS."**

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

3 "Section 1. (NEW) (*Effective July 1, 2017*) (a) There shall be imposed a  
4 surcharge on each policyholder of a homeowners or renters insurance  
5 policy or a commercial property insurance policy delivered, issued or  
6 renewed on or after July 1, 2017, on property or risks located or  
7 resident in this state. Such surcharge shall be at the rate of three dollars  
8 per homeowners or renters insurance policy and five dollars per  
9 commercial property insurance policy. Each admitted and  
10 nonadmitted insurance company that delivers, issues or renews any  
11 such insurance policy shall state the surcharge separately on a billing  
12 notice or policy declaration or in a document provided to the

13 policyholder. In no event shall such surcharge be considered premium  
14 for any purpose.

15 (b) (1) For each insurance policy subject to subsection (a) of this  
16 section delivered, issued or renewed by an admitted insurance  
17 company, such insurance company shall remit to the Insurance  
18 Commissioner, not later than March fifteenth annually, all such  
19 surcharges collected during the calendar year next preceding and shall  
20 include with such remittance, in a form and manner prescribed by the  
21 commissioner, documentation to substantiate the surcharge amount  
22 remitted.

23 (2) For each insurance policy subject to subsection (a) of this section  
24 delivered, issued or renewed by a nonadmitted insurance company,  
25 the licensee who procured, continued or renewed such coverage shall  
26 remit to the Insurance Commissioner, on or before February fifteenth  
27 annually, all such surcharges collected during the calendar year next  
28 preceding and shall include with such remittance, in a form and  
29 manner prescribed by the commissioner, documentation to  
30 substantiate the surcharge amount remitted.

31 (3) All such remittances under subdivisions (1) and (2) of this  
32 subsection shall be deposited in the Connecticut Fire Safety Fund  
33 established pursuant to section 2 of this act.

34 (c) The commissioner may adopt regulations, in accordance with the  
35 provisions of chapter 54 of the general statutes, that the commissioner  
36 deems necessary to implement the provisions of this section.

37 Sec. 2. (NEW) (*Effective July 1, 2017*) (a) (1) There is established an  
38 account to be known as the "Connecticut Fire Safety Fund" which shall  
39 be a separate, nonlapsing account within the General Fund. The  
40 account shall contain any moneys required by law to be deposited in  
41 the account. Beginning in the fiscal year ending June 30, 2019, and each  
42 fiscal year thereafter, moneys in the account shall be expended by the  
43 Department of Emergency Services and Public Protection in the  
44 following order:

45 (A) To fund the operating budgets of (i) regional fire schools  
46 established pursuant to section 7-323u of the general statutes, and (ii)  
47 municipally operated fire training schools, provided such municipality  
48 has a Class A burn building, a fire training tower and a classroom  
49 facility for use by such municipally operated fire training school; and

50 (B) To fund training costs and fees for Firefighter I certification of  
51 paid and volunteer municipal firefighters, provided (i) the  
52 municipality, fire department, fire company or fire district requesting  
53 such funds requires its firefighters to submit to criminal background  
54 checks, and (ii) such firefighters have passed such criminal  
55 background checks. Such training costs and fees shall not include any  
56 costs associated with such criminal background checks.

57 (2) Any moneys remaining in the account shall be expended to  
58 offset the costs of other firefighter training programs, including, but  
59 not limited to, Firefighter II certification and fire operations.

60 (b) The Commissioner of Emergency Services and Public Protection  
61 shall establish (1) the form and manner of (A) submission of proposed  
62 operating budgets by regional fire schools and municipally operated  
63 fire training schools, and (B) submission of funding requests for the  
64 costs and fees specified under subparagraph (B) of subdivision (1) of  
65 subsection (a) of this section and the costs specified under subdivision  
66 (2) of subsection (a) of this section, (2) expenditure reporting  
67 requirements for regional fire schools, municipally operated fire  
68 training schools, municipalities, fire departments, fire companies and  
69 fire districts that receive moneys from said Fire Safety Fund in the  
70 applicable fiscal year, and (3) a methodology or system for  
71 determining the distribution of moneys for the costs and fees specified  
72 under subparagraph (B) of subdivision (1) of subsection (a) of this  
73 section and the costs specified under subdivision (2) of subsection (a)  
74 of this section. The requirements established pursuant to this  
75 subsection shall be in addition to the requirements under subsection  
76 (a) of section 4-107a of the general statutes.

77 (c) As used in this section, "municipality" means any town, city,  
78 borough, consolidated town and city or consolidated town and  
79 borough.

80 (d) The commissioner may adopt regulations, in accordance with  
81 the provisions of chapter 54 of the general statutes, to implement the  
82 provisions of this section.

83 Sec. 3. Subsection (c) of section 38a-743 of the general statutes is  
84 repealed and the following is substituted in lieu thereof (*Effective July*  
85 *1, 2017*):

86 (c) (1) (A) With respect to nonadmitted insurance, where such  
87 coverage is procured, continued or renewed for an insured by a  
88 licensee on or after July 1, 2011, and where this state is an insured's  
89 home state, such licensee shall pay a tax equal to the sum of four per  
90 cent of the gross premiums charged such insureds by nonadmitted  
91 insurers, irrespective of the fact that the insurance policy may cover  
92 properties, risks or exposures located or to be performed both within  
93 and without this state.

94 (B) With respect to nonadmitted insurance of the type specified  
95 under subsection (a) of section 1 of this act, where such coverage is  
96 procured, continued or renewed for an insured by a licensee on or  
97 after July 1, 2017, such licensee shall pay, in accordance with  
98 subdivision (3) of this subsection, the surcharge imposed pursuant to  
99 subsection (a) of section 1 of this act.

100 (2) (A) For the period beginning on July 1, 2011, and ending  
101 September 30, 2011, each licensee shall pay to the Insurance  
102 Commissioner, on or before November 15, 2011, in accordance with  
103 procedures established and on forms provided by said commissioner,  
104 a tax on nonadmitted insurance equal to the sum of four per cent of the  
105 gross premiums charged insureds by nonadmitted insurers during  
106 such period.

107 (B) For the period beginning on October 1, 2011, and ending

108 December 31, 2011, each licensee shall pay to the Insurance  
109 Commissioner, on or before February 15, 2012, in accordance with  
110 procedures established and on forms provided by said commissioner,  
111 a tax on nonadmitted insurance equal to the sum of four per cent of the  
112 gross premiums charged insureds by nonadmitted insurers during  
113 such period.

114 (3) For calendar years beginning on or after January 1, 2012, each  
115 licensee shall pay to the Insurance Commissioner, in accordance with  
116 procedures established and on forms provided by said commissioner,  
117 (A) on or before May fifteenth of each year in which nonadmitted  
118 insurance was procured, continued or renewed, a tax on such  
119 insurance equal to the sum of four per cent of the gross premiums  
120 charged insureds by nonadmitted insurers during the period from  
121 January first to March thirty-first of that year; (B) on or before August  
122 fifteenth of each year in which nonadmitted insurance was procured,  
123 continued or renewed, a tax on such insurance equal to the sum of four  
124 per cent of the gross premiums charged insureds by nonadmitted  
125 insurers during the period from April first to June thirtieth of that year;  
126 (C) on or before November fifteenth of each year in which  
127 nonadmitted insurance was procured, continued or renewed, a tax on  
128 such insurance equal to the sum of four per cent of the gross premiums  
129 charged insureds by nonadmitted insurers during the period from July  
130 first to September thirtieth of that year; and (D) (i) on or before  
131 February fifteenth of each year succeeding a year in which  
132 nonadmitted insurance was procured, continued or renewed, a tax on  
133 such insurance equal to the sum of four per cent of the gross premiums  
134 charged insureds by nonadmitted insurers during the period from  
135 October first to December thirty-first of the preceding year, and (ii)  
136 beginning July 1, 2017, on or before February fifteenth of each year  
137 succeeding a year in which nonadmitted insurance of the type  
138 specified under subsection (a) of section 1 of this act was procured,  
139 continued or renewed, the surcharge imposed pursuant to subsection  
140 (a) of section 1 of this act.

141 (4) In the event of cancellation and rewriting of any nonadmitted

142 insurance contract, the premium for purposes of this subsection shall  
143 be the premium in excess of the unearned premium of the cancelled  
144 insurance contract.

145 (5) If, pursuant to subsection (g) of this section, the Insurance  
146 Commissioner enters into a cooperative or reciprocal agreement with  
147 another state or states, and if the provisions set forth in such  
148 agreement are different from provisions prescribed by this subsection,  
149 then the provisions set forth in such agreement shall prevail."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017</i>	New section
Sec. 2	<i>July 1, 2017</i>	New section
Sec. 3	<i>July 1, 2017</i>	38a-743(c)