



General Assembly

**Amendment**

February Session, 2016

LCO No. 5708



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 insurance  
10 company that delivers, issues or renews any such insurance policy and  
11 each licensee licensed pursuant to the provisions of section 38a-794 of  
12 the general statutes that procures or renews any such insurance policy

13 shall state the surcharge separately on a billing notice or policy  
14 declaration or in a document provided to the policyholder. In no event  
15 shall such surcharge be considered premium for any purpose.

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

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

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

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

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

45 following order:

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

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

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

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

77 (a) of section 4-107a of the general statutes.

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

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

84 Sec. 3. Subsection (c) of section 38a-743 of the general statutes is  
85 repealed and the following is substituted in lieu thereof (*Effective July*  
86 *1, 2017*):

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

95 (B) With respect to nonadmitted insurance of the type specified  
96 under subsection (a) of section 1 of this act, where such coverage is  
97 procured or renewed for an insured by a licensee on or after July 1,  
98 2017, such licensee shall pay, in accordance with subdivision (3) of this  
99 subsection, the surcharge imposed pursuant to subsection (a) of section  
100 1 of this act.

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

108 (B) For the period beginning on October 1, 2011, and ending  
109 December 31, 2011, each licensee shall pay to the Insurance  
110 Commissioner, on or before February 15, 2012, in accordance with  
111 procedures established and on forms provided by said commissioner,  
112 a tax on nonadmitted insurance equal to the sum of four per cent of the  
113 gross premiums charged insureds by nonadmitted insurers during  
114 such period.

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

142 (4) In the event of cancellation and rewriting of any nonadmitted  
 143 insurance contract, the premium for purposes of this subsection shall  
 144 be the premium in excess of the unearned premium of the cancelled  
 145 insurance contract.

146 (5) If, pursuant to subsection (g) of this section, the Insurance  
 147 Commissioner enters into a cooperative or reciprocal agreement with  
 148 another state or states, and if the provisions set forth in such  
 149 agreement are different from provisions prescribed by this subsection,  
 150 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	July 1, 2017	New section
Sec. 2	July 1, 2017	New section
Sec. 3	July 1, 2017	38a-743(c)