



General Assembly

Amendment

February Session, 2018

LCO No. 5921



Offered by:
REP. SCANLON, 98th Dist.

To: Subst. House Bill No. 5206 File No. 233 Cal. No. 166

"AN ACT CONCERNING INSURANCE ISSUES."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 1 of senate bill 198 of the current session, as
4 amended by Senate Amendment Schedule "A", is repealed and the
5 following is substituted in lieu thereof (*Effective from passage*):

6 (a) There is established a task force to study and develop strategies
7 to develop, expand and improve the insurance industry workforce in
8 this state. Such study shall include, but need not be limited to, (1) an
9 evaluation and analysis of the status of the insurance industry
10 workforce in this state, (2) the employment needs of the insurance
11 industry in this state, and (3) methods of developing, expanding and
12 improving the insurance industry workforce in this state.

13 (b) The task force shall consist of the following members:

14 (1) Two appointed by the speaker of the House of Representatives;

- 15 (2) Two appointed by the president pro tempore of the Senate;
- 16 (3) One appointed by the majority leader of the House of
17 Representatives;
- 18 (4) One appointed by the majority leader of the Senate;
- 19 (5) One appointed by the minority leader of the House of
20 Representatives;
- 21 (6) Two appointed by the minority leader of the Senate;
- 22 (7) One appointed by the deputy Senate Republican president pro
23 tempore;
- 24 (8) The Insurance Commissioner, or the commissioner's designee;
25 [and]
- 26 (9) The president of the Board of Regents for Higher Education, or
27 the president's designee; and
- 28 (10) The president of The University of Connecticut, or the
29 president's designee.
- 30 (c) Any member of the task force appointed under subdivision (1),
31 (2), (3), (4), (5), (6) or (7) of subsection (b) of this section may be a
32 member of the General Assembly.
- 33 (d) All appointments to the task force shall be made not later than
34 thirty days after the effective date of this section. Any vacancy shall be
35 filled by the appointing authority.
- 36 (e) The speaker of the House of Representatives and the president
37 pro tempore of the Senate shall select the chairpersons of the task force
38 from among the members of the task force. Such chairpersons shall
39 schedule the first meeting of the task force, which shall be held not
40 later than sixty days after the effective date of this section.
- 41 (f) The administrative staff of the joint standing committee of the

42 General Assembly having cognizance of matters relating to insurance
43 shall serve as administrative staff of the task force.

44 (g) Not later than January 1, 2019, the task force shall submit a
45 report on its findings and recommendations to the joint standing
46 committee of the General Assembly having cognizance of matters
47 relating to insurance, in accordance with the provisions of section 11-
48 4a of the general statutes. The task force shall terminate on the date
49 that it submits such report or January 1, 2019, whichever is later.

50 Sec. 502. Subdivision (1) of subsection (a) of section 38a-323 of the
51 2018 supplement to the general statutes is repealed and the following
52 is substituted in lieu thereof (*Effective October 1, 2019*):

53 (a) (1) No insurer shall refuse to renew any policy that is subject to
54 the requirements of sections 38a-663 to 38a-696, inclusive, unless such
55 insurer or its agent sends, by registered or certified mail or by mail
56 evidenced by a certificate of mailing, or delivers to the named insured,
57 at the address shown in the policy, or, if agreed between the insurer
58 and the named insured, by electronic means, at least sixty days'
59 advance notice of its intention not to renew. The notice of intent not to
60 renew shall state or be accompanied by a statement specifying the
61 reason for such nonrenewal. This section shall not apply: (A) In case of
62 nonpayment of premium; (B) if the insured fails to pay any advance
63 premium required by the insurer for renewal, provided,
64 notwithstanding the failure of an insurer to comply with this
65 subsection, with respect to automobile liability insurance policies the
66 policy shall terminate on the effective date of any other insurance
67 policy with respect to any automobile designated in both policies; or
68 (C) if the policy is transferred from the insurer to an affiliate of such
69 insurer for another policy with no interruption of coverage and
70 contains the same terms, conditions and provisions, including policy
71 limits, as the transferred policy, except that the insurer to which the
72 policy is transferred shall not be prohibited from applying its rates and
73 rating plans at the time of renewal. With respect to an automobile or
74 homeowners policy, each insurer that sends or delivers a notice of

75 nonrenewal pursuant to this subsection shall use the same method to
76 send or deliver such notice to any third party designated pursuant to
77 section 38a-323a.

78 Sec. 503. Section 38a-323a of the general statutes is repealed and the
79 following is substituted in lieu thereof (*Effective October 1, 2019*):

80 (a) Each insurer that issues, renews, amends or endorses an
81 automobile or homeowners insurance policy in this state on or after
82 October 1, [2017] 2019, shall include with the policy a conspicuous
83 statement specifying that any individual may designate a third party
84 to receive notice of cancellation or nonrenewal of the policy. The
85 statement shall include a designation form, [and] a mailing address
86 and an electronic mail address the individual may use to designate a
87 third party. Such statement shall be in a form approved by the
88 Insurance Commissioner.

89 (b) No designation form shall be effective unless it contains a
90 written acceptance by the third party designee to receive copies of
91 notices of cancellation or nonrenewal from the insurer on behalf of the
92 individual. The third party designation shall be effective not later than
93 ten business days after the date the insurer receives the designation
94 form and the acceptance of the third party. The third party may
95 terminate the status as a third party designee by providing written
96 notice to both the insurer and the insured individual. The individual
97 may terminate the third party designation by providing written notice
98 to the insurer and the third party designee. The insurer may require
99 the individual and the third party to send the notices to the insurer by
100 certified mail, return receipt requested, or, if agreed between the
101 insurer and the individual or the insurer and the third party, by
102 electronic means.

103 (c) The insurer's transmission to the third party designee of a copy
104 of any notice of cancellation or nonrenewal shall be in addition to the
105 transmission of the original document to the insured individual. When
106 a third party is so designated, all such notices and copies shall be

107 mailed in an envelope clearly marked on its face with, or, if agreed
108 between the insurer and the third party, delivered by electronic means
109 stating the following: "IMPORTANT INSURANCE POLICY
110 INFORMATION: OPEN IMMEDIATELY". The copy of the notice of
111 cancellation or nonrenewal transmitted to the third party shall be
112 governed by the same law and policy provisions that govern the notice
113 being transmitted to the insured individual. The designation of a third
114 party shall not constitute acceptance of any liability on the part of the
115 third party or insurer for services provided to the insured individual.

116 Sec. 504. Subsection (a) of section 38a-343 of the 2018 supplement to
117 the general statutes is repealed and the following is substituted in lieu
118 thereof (*Effective October 1, 2019*):

119 (a) No notice of cancellation of a policy to which section 38a-342
120 applies shall be effective unless [sent,] the notice is delivered or sent by
121 the insurer to the named insured, and any third party designated
122 pursuant to section 38a-323a, by registered [or] mail, certified mail, [or
123 by] mail evidenced by a certificate of mailing [,] or, [delivered by the
124 insurer to the named insured, and any third party designated pursuant
125 to section 38a-323a,] if agreed between the insurer and the named
126 insured, by electronic means, at least forty-five days before the
127 effective date of cancellation, except that (1) where cancellation is for
128 nonpayment of the first premium on a new policy, at least fifteen days'
129 notice of cancellation accompanied by the reason for cancellation shall
130 be given, and (2) where cancellation is for nonpayment of any other
131 premium, at least ten days' notice of cancellation accompanied by the
132 reason for cancellation shall be given. No notice of cancellation of a
133 policy that has been in effect for less than sixty days shall be effective
134 unless mailed or delivered by the insurer to the insured and any third
135 party designee at least forty-five days before the effective date of
136 cancellation, except that (A) at least fifteen days' notice shall be given
137 where cancellation is for nonpayment of the first premium on a new
138 policy, and (B) at least ten days' notice shall be given where
139 cancellation is for nonpayment of any other premium or material
140 misrepresentation. The notice of cancellation shall state or be

141 accompanied by a statement specifying the reason for such
142 cancellation. Any notice of cancellation for nonpayment of the first
143 premium on a new policy may be retroactive to the effective date of
144 such policy, provided at least fifteen days' notice has been given to the
145 insured and any third party designee and payment of such premium
146 has not been received during such notice period.

147 Sec. 505. Section 38a-344 of the general statutes is repealed and the
148 following is substituted in lieu thereof (*Effective October 1, 2019*):

149 Proof of mailing by certified mail, return receipt requested, or, if
150 agreed between an insurer and a named insured, delivery by electronic
151 means with proof of a delivery receipt, notice of cancellation, [or of] an
152 intention not to renew or of reasons for cancellation, to the named
153 insured [,] and any third party designated pursuant to section 38a-323a
154 [,] at the address shown in the policy, or by electronic means if agreed
155 between an insurer and a named insured, shall be sufficient proof of
156 notice.

157 Sec. 506. Subparagraph (A) of subdivision (2) of subsection (b) of
158 section 38a-676 of the general statutes is repealed and the following is
159 substituted in lieu thereof (*Effective October 1, 2019*):

160 (2) (A) Each filing described in subsection (a) of this section for
161 professional liability insurance for physicians and surgeons, hospitals,
162 advanced practice registered nurses or physician assistants shall be
163 subject to prior rate approval in accordance with this section. On and
164 after July 13, 2005, each insurer or rating organization seeking to
165 increase its rates over the rates in the insurer's previous filing for such
166 insurance by seven and one-half per cent or more shall (i) file a request
167 for such change with the Insurance Commissioner, and (ii) send
168 written notice of any request for an increase in rates to insureds who
169 would be subject to the increase on such form as the commissioner
170 prescribes by certified mail, return receipt requested, or, if agreed by
171 the insured and the insurer or the insured and the rating organization,
172 by electronic means with proof of a delivery receipt. Such request shall

173 be filed and such notice shall be sent at least sixty days prior to the
174 proposed effective date of the increase. The notice to insureds of a
175 request for an increase in rates shall indicate that the insured may
176 request a public hearing by submitting a written request to the
177 Insurance Commissioner not later than fifteen days after the date
178 notice was sent. Any request for an increase in rates under this
179 subdivision shall be filed after notice is sent to insureds and shall
180 indicate the date such notice was sent. Not later than fifteen days after
181 such notice is sent, the insurer shall submit a list to the commissioner
182 indicating the name of each insured to whom notice was sent and
183 whether a return receipt or a delivery receipt was received for the
184 notice sent to the insured.

185 Sec. 507. Subsection (a) of section 38a-724 of the general statutes is
186 repealed and the following is substituted in lieu thereof (*Effective*
187 *October 1, 2019*):

188 (a) The use of an employment contract between a public adjuster
189 and the insured shall be mandatory.

190 (1) Any such contract signed on or after October 1, [2013] 2019, shall
191 contain a provision, prominently displayed on the first page of such
192 contract in not less than twelve-point boldface type, specifying that the
193 insured may cancel the contract, provided such insured notifies the
194 public adjuster at such public adjuster's main office or branch office at
195 the address shown in the contract, by certified mail, return receipt
196 requested, or, if agreed between the insured and the public adjuster, by
197 electronic means with proof of a delivery receipt, posted or delivered
198 not later than midnight of the fourth calendar day after the day on
199 which the insured signs the contract, except that if the signing is on a
200 Friday, Saturday or Sunday, the cancellation shall be posted not later
201 than midnight of the Thursday immediately following, and thereafter
202 the contract shall be void ab initio.

203 (2) Any such contract signed on or after October 1, [2013] 2019, that
204 does not display the provision as specified in subdivision (1) of this

205 subsection shall be void ab initio.

206 Sec. 508. Section 1 of substitute senate bill 207 of the current session,
 207 as amended by Senate Amendment Schedule "A", is repealed and the
 208 following is substituted in lieu thereof (*Effective January 1, 2019*):

209 Each insurer, health care center, fraternal benefit society, hospital
 210 service corporation, medical service corporation or other entity that
 211 delivers, issues for delivery, renews, amends or continues an
 212 individual or group health insurance policy in this state that provides
 213 coverage of the type specified in subdivision (1), (2), (4), (10), (11), (12)
 214 or (16) of section 38a-469 of the general statutes and includes coverage
 215 for inpatient or outpatient dental services shall, at least once during the
 216 term of a contract, [year,] permit a licensed dentist who provides
 217 covered dental services to an insured to refuse to accept
 218 reimbursement for such services by way of a virtual credit card. Such
 219 refusal shall apply to all covered dental services provided by such
 220 dentist during the term of such contract. [year.] As used in this section,
 221 "virtual credit card" means a single-use credit card exclusively
 222 provided in an electronic or digital format."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>from passage</i>	SB 198 (current session), Sec. 1
Sec. 502	<i>October 1, 2019</i>	38a-323(a)(1)
Sec. 503	<i>October 1, 2019</i>	38a-323a
Sec. 504	<i>October 1, 2019</i>	38a-343(a)
Sec. 505	<i>October 1, 2019</i>	38a-344
Sec. 506	<i>October 1, 2019</i>	38a-676(b)(2)(A)
Sec. 507	<i>October 1, 2019</i>	38a-724(a)
Sec. 508	<i>January 1, 2019</i>	SB 207 (current session), Sec. 1