

Home Improvement and New Home Builder Guaranty Fund Statistics

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Issue

Provide a brief overview of the Home Improvement and New Home Builder Guaranty funds and statistics for the last five fiscal years.

Summary

Connecticut law generally requires home improvement and new home construction contractors to register with the Department of Consumer Protection (DCP) and pay a fee to a guaranty fund ([CGS §§ 20-417b, -417i, -420, -421 & -432](#)). The guaranty funds reimburse consumers who are unable to recover a court judgment from a registered contractor for the judgment amount, other than punitive damages and minus any amount already recovered. Requests must be made within two years after the final judgment has been made or the time for appeal has passed. The consumer must assign DCP the right to recover the money once he or she has been paid from the fund.

The Home Improvement Guaranty Fund reimburses consumers up to \$15,000 per claim for losses due to the failure of a registered home improvement contractor to fulfill a contract valued at more than \$200. The New Home Construction Guaranty Fund reimburses consumers up to \$30,000 per claim for those who are unable to recover losses for damages caused by registered new home construction contractors.

The guaranty funds themselves are capped at \$750,000. When the fees cause a fund to exceed its cap, the first \$400,000 of the excess is transferred into DCP's Consumer Protection Enforcement Account. The remainder of the excess is transferred into the General Fund.

Home Improvement Guaranty Fund

The Home Improvement Guaranty Fund reimburses consumers up to \$15,000 per claim who are unable to recover losses caused by registered home improvement contractors for contracts valued

over \$200. The fund is capitalized by an annual \$100 fee each annual home improvement contractor pays for the fund.

Table 1 shows the total receipts, number of consumers who have accessed the guaranty fund, and the total and average amount paid out in the last five fiscal years.

Table 1: Home Improvement Guaranty Fund Payouts

Fiscal Year	Total Receipts	Number of Restitutions Paid	Total Amount Paid	Average Amount Paid Per Claim
2020	\$3,070,839	125	\$1,059,468	\$8,476
2019	3,095,431	139	1,235,986	8,892
2018	3,086,520	117	999,628	8,544
2017	2,992,920	152	1,355,867	8,920
2016	3,097,617	130	986,658	7,590
Total	1,534,327	663	5,637,607	8,503

*Source: DCP

New Home Construction Guaranty Fund

The New Home Construction Guaranty Fund reimburses consumers who are unable to recover losses for damages caused by registered new home construction contractors. The fund is capitalized by a \$480 biennial fee paid by each home construction contractor.

Table 2 shows the total receipts, number of consumers who have accessed the guaranty fund, and the total and average amount paid out in the last five fiscal years.

Table 2: New Home Construction Guaranty Fund

Fiscal Year	Total Receipts	Number of Restitutions Paid	Total Amount Paid	Average Amount Paid Per Claim
2020	\$1,125,047	6	\$147,956	\$24,659
2019	198,257	6	180,000	30,000
2018	1,104,871	6	149,874	24,979
2017	173,005	9	195,321	21,702
2016	1,267,593	8	183,817	22,977
Total	3,868,773	35	856,968	24,485

*Source: DCP

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