
OLR Bill Analysis

sHB 6623

AN ACT CONCERNING PROPERTY AND CASUALTY INSURANCE.

SUMMARY

This bill revises the standard fire insurance policy form used in Connecticut to establish timeframes for property and casualty insurers and loss appraisers to act after receiving a completed, signed, and sworn proof of loss from an insured. (With certain exceptions, existing law requires insurers to comply with the standard policy.)

Under the bill, an insurer must acknowledge receipt of the proof of loss to the insured in writing within 15 days after receiving it. The insurer must also give the insured written notice within 21 days after receiving the proof of loss disclosing whether it (1) approves or denies each loss claim and (2) disputes the actual cash value of any loss claim.

By law, either the insured or the insurer may request an appraisal if they disagree on the actual cash value or amount of loss. Each party selects a disinterested appraiser. The bill requires the appraisers, once selected, to appraise the loss within 15 days. If the appraisers disagree about the loss, they must, by law, submit their differences to a disinterested umpire. The bill requires they do this within 15 days after the appraisal. By law, the insurer must pay a claim within 30 days after the proof of loss is agreed upon.

The bill also requires a property and casualty insurer issuing policies on real property in Connecticut, and insurance producers representing the insurer, to disclose to an insured or prospective insured whether the insurer requires the real property to be assessed, evaluated, or inspected before the insurer establishes premiums and delivers, issues, or renews the policy. The disclosure must be (1) made not later than when the insurer or producer provides a premium estimate and (2) in a form and manner the insurance commissioner

prescribes. The bill authorizes the commissioner to adopt implementing regulations.

EFFECTIVE DATE: January 1, 2022, except the provisions establishing timeframes for insurers and appraisers to act after receiving a proof of loss are effective October 1, 2021, and applicable to policies issued or renewed on or after that date.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 17 Nay 1 (03/22/2021)