



General Assembly

January Session, 2021

**Raised Bill No. 6623**

LCO No. 4694



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING PROPERTY AND CASUALTY INSURANCE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-1 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2022*):

3 Terms used in this title and sections 2 and 3 of this act, unless it  
4 appears from the context to the contrary, shall have a scope and  
5 meaning as set forth in this section.

6 (1) "Affiliate" or "affiliated" means a person that directly, or indirectly  
7 through one or more intermediaries, controls, is controlled by or is  
8 under common control with another person.

9 (2) "Alien insurer" means any insurer that has been chartered by or  
10 organized or constituted within or under the laws of any jurisdiction or  
11 country without the United States.

12 (3) "Annuities" means all agreements to make periodical payments  
13 where the making or continuance of all or some of the series of the  
14 payments, or the amount of the payment, is dependent upon the

15 continuance of human life or is for a specified term of years. This  
16 definition does not apply to payments made under a policy of life  
17 insurance.

18 (4) "Commissioner" means the Insurance Commissioner.

19 (5) "Control", "controlled by" or "under common control with" means  
20 the possession, direct or indirect, of the power to direct or cause the  
21 direction of the management and policies of a person, whether through  
22 the ownership of voting securities, by contract other than a commercial  
23 contract for goods or nonmanagement services, or otherwise, unless the  
24 power is the result of an official position with the person.

25 (6) "Domestic insurer" means any insurer that has been chartered by,  
26 incorporated, organized or constituted within or under the laws of this  
27 state.

28 (7) "Domestic surplus lines insurer" means any domestic insurer that  
29 has been authorized by the commissioner to write surplus lines  
30 insurance.

31 (8) "Foreign country" means any jurisdiction not in any state, district  
32 or territory of the United States.

33 (9) "Foreign insurer" means any insurer that has been chartered by or  
34 organized or constituted within or under the laws of another state or a  
35 territory of the United States.

36 (10) "Insolvency" or "insolvent" means, for any insurer, that it is  
37 unable to pay its obligations when they are due, or when its admitted  
38 assets do not exceed its liabilities plus the greater of: (A) Capital and  
39 surplus required by law for its organization and continued operation;  
40 or (B) the total par or stated value of its authorized and issued capital  
41 stock. For purposes of this subdivision "liabilities" shall include but not  
42 be limited to reserves required by statute or by regulations adopted by  
43 the commissioner in accordance with the provisions of chapter 54 or  
44 specific requirements imposed by the commissioner upon a subject

45 company at the time of admission or subsequent thereto.

46 (11) "Insurance" means any agreement to pay a sum of money,  
47 provide services or any other thing of value on the happening of a  
48 particular event or contingency or to provide indemnity for loss in  
49 respect to a specified subject by specified perils in return for a  
50 consideration. In any contract of insurance, an insured shall have an  
51 interest which is subject to a risk of loss through destruction or  
52 impairment of that interest, which risk is assumed by the insurer and  
53 such assumption shall be part of a general scheme to distribute losses  
54 among a large group of persons bearing similar risks in return for a  
55 ratable contribution or other consideration.

56 (12) "Insurer" or "insurance company" includes any person or  
57 combination of persons doing any kind or form of insurance business  
58 other than a fraternal benefit society, and shall include a receiver of any  
59 insurer when the context reasonably permits.

60 (13) "Insured" means a person to whom or for whose benefit an  
61 insurer makes a promise in an insurance policy. The term includes  
62 policyholders, subscribers, members and beneficiaries. This definition  
63 applies only to the provisions of this title and does not define the  
64 meaning of this word as used in insurance policies or certificates.

65 (14) "Life insurance" means insurance on human lives and insurances  
66 pertaining to or connected with human life. The business of life  
67 insurance includes granting endowment benefits, granting additional  
68 benefits in the event of death by accident or accidental means, granting  
69 additional benefits in the event of the total and permanent disability of  
70 the insured, and providing optional methods of settlement of proceeds.  
71 Life insurance includes burial contracts to the extent provided by  
72 section 38a-464.

73 (15) "Mutual insurer" means any insurer without capital stock, the  
74 managing directors or officers of which are elected by its members.

75 (16) "Person" means an individual, a corporation, a partnership, a

76 limited liability company, an association, a joint stock company, a  
77 business trust, an unincorporated organization or other legal entity.

78 (17) "Policy" means any document, including attached endorsements  
79 and riders, purporting to be an enforceable contract, which  
80 memorializes in writing some or all of the terms of an insurance  
81 contract.

82 (18) "State" means any state, district, or territory of the United States.

83 (19) "Subsidiary" of a specified person means an affiliate controlled  
84 by the person directly, or indirectly through one or more intermediaries.

85 (20) "Unauthorized insurer" or "nonadmitted insurer" means an  
86 insurer that has not been granted a certificate of authority by the  
87 commissioner to transact the business of insurance in this state or an  
88 insurer transacting business not authorized by a valid certificate.

89 (21) "United States" means the United States of America, its territories  
90 and possessions, the Commonwealth of Puerto Rico and the District of  
91 Columbia.

92 Sec. 2. (NEW) (*Effective January 1, 2022*) (a) No insurer that delivers,  
93 issues for delivery, renews, amends or endorses a homeowners  
94 insurance policy on or after January 1, 2022, for a residential dwelling in  
95 this state shall refuse to deliver, issue or renew such policy because the  
96 insured or prospective insured declines to purchase coverage from such  
97 insurer for any structure other than such residential dwelling.

98 (b) The commissioner may adopt regulations, in accordance with the  
99 provisions of chapter 54 of the general statutes, to implement the  
100 provisions of this section.

101 Sec. 3. (NEW) (*Effective January 1, 2022*) (a) Each insurer that delivers,  
102 issues for delivery, renews, amends or endorses a property and casualty  
103 insurance policy on or after January 1, 2022, for real property in this  
104 state, and any insurance producer who represents such insurer with  
105 respect to such policy, shall disclose to an insured or prospective

106 insured, in a form and manner prescribed by the commissioner and not  
107 later that the time such insurer or insurance producer provides an  
108 estimate to the insured or prospective insured for the premium cost for  
109 coverage under such policy, whether such insurer requires that such  
110 real property be assessed, evaluated or inspected before such insurer  
111 establishes such premium cost and delivers, issues for delivery or  
112 renews such policy.

113 (b) The commissioner may adopt regulations, in accordance with the  
114 provisions of chapter 54 of the general statutes, to implement the  
115 provisions of this section.

116 Sec. 4. (*Effective from passage*) (a) The Insurance Department shall  
117 study methods available to accelerate homeowners insurance claims  
118 processing in this state. Such study shall include, but need not be limited  
119 to, an examination of methods available to accelerate claims filings,  
120 adjustments, investigations and settlements.

121 (b) Not later than January 1, 2022, the Insurance Department shall  
122 submit a report disclosing the results of such study to the joint standing  
123 committee of the General Assembly having cognizance of matters  
124 relating to insurance in accordance with section 11-4a of the general  
125 statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2022</i>	38a-1
Sec. 2	<i>January 1, 2022</i>	New section
Sec. 3	<i>January 1, 2022</i>	New section
Sec. 4	<i>from passage</i>	New section

**Statement of Purpose:**  
To: (1) Provide that an insurer shall not refuse to deliver, issue or renew a homeowners insurance policy for a residential dwelling in this state solely because the insured or prospective insured declines to purchase coverage from such insurer for any structure other than such residential dwelling; (2) require an insurer or insurance producer to disclose to an insured or prospective insured whether the insurer requires that real

property be assessed, evaluated or inspected not later than the time the insurer or insurance producer provides the insured or prospective insured with an estimate for the premium cost of a property and casualty insurance policy for such real property; and (3) require the Insurance Department to study methods available to accelerate homeowners insurance claims processing and submit a report disclosing the results of such study to the joint standing committee of the General Assembly having cognizance of matters relating to insurance.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*