



General Assembly

January Session, 2021

Raised Bill No. 1042

LCO No. 4511



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

***AN ACT CONCERNING FIREFIGHTER TRAINING AND CRUMBLING
CONCRETE FOUNDATIONS.***

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 Section 38a-1 of the general statutes is repealed and the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 July 1, 2022*):

3 Terms used in this title and section 2 of this act, unless it appears from
4 the context to the contrary, shall have a scope and meaning as set forth
5 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 July 1, 2022*) (a) A firefighter training
93 surcharge shall be imposed on the policyholders of each commercial
94 property insurance policy, homeowners insurance policy or renter's
95 insurance policy delivered, issued for delivery or renewed on or after
96 July 1, 2022, for property or risks located or resident in this state. Such
97 surcharge shall be at the rate of seven dollars per policy. Each admitted
98 and nonadmitted insurance company that delivers, issues for delivery
99 or renews any such insurance policy shall disclose such surcharge on
100 any billing notice, policy declaration or other document that such
101 insurance company provides to such policyholders. In no event shall
102 such surcharge be considered premium for any purpose.

103 (b) (1) For each insurance policy subject to subsection (a) of this
104 section delivered, issued for delivery or renewed by an admitted

105 insurance company, such insurance company shall remit to the
106 commissioner, not later than March fifteenth, annually, all such
107 surcharges collected during the calendar year next preceding and shall
108 include with such remittance, in a form and manner prescribed by the
109 commissioner, documentation to substantiate the surcharge amount
110 remitted.

111 (2) For each insurance policy subject to subsection (a) of this section
112 delivered, issued for delivery or renewed by a nonadmitted insurance
113 company, the licensee who procured, continued or renewed such
114 coverage shall remit to the commissioner, on or before February
115 fifteenth, annually, all such surcharges collected during the calendar
116 year next preceding and shall include with such remittance, in a form
117 and manner prescribed by the commissioner, documentation to
118 substantiate the surcharge amount remitted.

119 (3) All remittances under subdivisions (1) and (2) of this subsection
120 shall be deposited in the Connecticut fire safety account established
121 under section 3 of this act.

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

125 Sec. 3. (NEW) (*Effective July 1, 2022*) (a) As used in this section,
126 "municipality" means any borough, city, town, consolidated borough
127 and town or consolidated city and town.

128 (b) (1) There is established an account to be known as the
129 "Connecticut fire safety account" which shall be a separate, nonlapsing
130 account within the General Fund. The account shall contain any moneys
131 required by law to be deposited in the account. Beginning in the fiscal
132 year ending June 30, 2023, and each fiscal year thereafter, moneys in the
133 account shall be expended by the Department of Emergency Services
134 and Public Protection in the following order:

135 (A) To fund the operating budgets of (i) municipally operated fire

136 training schools, provided such municipality has a Class A burn
137 building, a fire training tower and a classroom facility for use by such
138 municipally operated fire training school, and (ii) regional fire schools
139 established pursuant to section 7-323u of the general statutes; and

140 (B) To fund training costs and fees for Firefighter I certification of
141 paid and volunteer municipal firefighters, provided (i) the fire
142 company, fire department, fire district or municipality requesting such
143 funds requires its firefighters to submit to criminal background checks,
144 and (ii) such firefighters have passed such criminal background checks.
145 Such training costs and fees shall not include any costs associated with
146 such criminal background checks.

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

150 (c) The Commissioner of Emergency Services and Public Protection
151 shall establish (1) the form and manner of (A) submission of proposed
152 operating budgets by municipally operated fire training schools and
153 regional fire schools, and (B) submission of funding requests for the
154 costs and fees specified under subparagraph (B) of subdivision (1) of
155 subsection (b) of this section and the costs specified under subdivision
156 (2) of subsection (b) of this section, (2) expenditure reporting
157 requirements for fire companies, fire departments, fire districts,
158 municipalities, municipally operated fire training schools and regional
159 fire schools that receive moneys from the Connecticut fire safety account
160 in the applicable fiscal year, and (3) a methodology or system for
161 determining the distribution of moneys for the costs and fees specified
162 under subparagraph (B) of subdivision (1) of subsection (b) of this
163 section and the costs specified under subdivision (2) of subsection (b) of
164 this section. The requirements established pursuant to this subsection
165 shall be in addition to the requirements under subsection (a) of section
166 4-107a of the general statutes.

167 (d) The Commissioner of Emergency Services and Public Protection

168 may adopt regulations, in accordance with the provisions of chapter 54
169 of the general statutes, to implement the provisions of this section.

170 Sec. 4. Subsection (c) of section 38a-743 of the general statutes is
171 repealed and the following is substituted in lieu thereof (*Effective July 1,*
172 *2022*):

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

180 (B) With respect to nonadmitted insurance of the type specified under
181 subsection (a) of section 2 of this act, where such coverage is procured,
182 continued or renewed for an insured by a licensee on or after July 1,
183 2022, such licensee shall pay, in accordance with subdivision (3) of this
184 subsection, the surcharge imposed pursuant to subsection (a) of section
185 2 of this act.

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

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

200 (3) For calendar years beginning on or after January 1, 2012, each
201 licensee shall pay to the Insurance Commissioner, in accordance with
202 procedures established and on forms provided by said commissioner,
203 (A) on or before May fifteenth of each year in which nonadmitted
204 insurance was procured, continued or renewed, a tax on such insurance
205 equal to the sum of four per cent of the gross premiums charged
206 insureds by nonadmitted insurers during the period from January first
207 to March thirty-first of that year; (B) on or before August fifteenth of
208 each year in which nonadmitted insurance was procured, continued or
209 renewed, a tax on such insurance equal to the sum of four per cent of
210 the gross premiums charged insureds by nonadmitted insurers during
211 the period from April first to June thirtieth of that year; (C) on or before
212 November fifteenth of each year in which nonadmitted insurance was
213 procured, continued or renewed, a tax on such insurance equal to the
214 sum of four per cent of the gross premiums charged insureds by
215 nonadmitted insurers during the period from July first to September
216 thirtieth of that year; and (D) (i) on or before February fifteenth of each
217 year succeeding a year in which nonadmitted insurance was procured,
218 continued or renewed, a tax on such insurance equal to the sum of four
219 per cent of the gross premiums charged insureds by nonadmitted
220 insurers during the period from October first to December thirty-first of
221 the preceding year, and (ii) beginning July 1, 2022, on or before February
222 fifteenth of each year succeeding a year in which nonadmitted insurance
223 of the type specified under subsection (a) of section 2 of this act was
224 procured, continued or renewed, the surcharge imposed pursuant to
225 said subsection.

226 (4) In the event of cancellation and rewriting of any nonadmitted
227 insurance contract, the premium for purposes of this subsection shall be
228 the premium in excess of the unearned premium of the cancelled
229 insurance contract.

230 (5) If, pursuant to subsection (g) of this section, the Insurance
231 Commissioner enters into a cooperative or reciprocal agreement with
232 another state or states, and if the provisions set forth in such agreement
233 are different from provisions prescribed by this subsection, then the

234 provisions set forth in such agreement shall prevail.

235 Sec. 5. Subsection (i) of section 38a-91vv of the general statutes is
236 repealed and the following is substituted in lieu thereof (*Effective October*
237 *1, 2021*):

238 (i) The captive insurance company shall continue until [June 30,
239 2022,] December 31, 2040, or until its existence is terminated by law.
240 Upon the termination of the existence of the company, all its right and
241 properties shall pass to and be vested in the state of Connecticut.

242 Sec. 6. Subsection (a) of section 38a-331 of the general statutes is
243 repealed and the following is substituted in lieu thereof (*Effective October*
244 *1, 2021*):

245 (a) (1) There is imposed a twelve-dollar surcharge on the issuance or
246 renewal of each insurance policy providing:

247 (A) Personal risk insurance coverage for an owned dwelling in this
248 state with four or fewer units, except for a mobile home;

249 (B) Coverage for an individual unit in this state that is part of a
250 condominium, as such terms are defined in section 47-68a; or

251 (C) Coverage for an individual unit in this state that is part of a
252 common interest community and exclusively used for residential
253 purposes, as such terms are defined in section 47-202.

254 (2) The surcharge imposed under this subsection shall be assessed on
255 insurance policies issued or renewed during the period beginning on
256 January 1, 2019, and ending on December 31, [2029] 2040. Such
257 surcharge is not premium and shall not be considered premium for any
258 purpose.

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

Sec. 3	<i>July 1, 2022</i>	New section
Sec. 4	<i>July 1, 2022</i>	38a-743(c)
Sec. 5	<i>October 1, 2021</i>	38a-91vv(i)
Sec. 6	<i>October 1, 2021</i>	38a-331(a)

Statement of Purpose:

To: (1) Impose a surcharge on certain insurance premiums to fund firefighter training costs; and (2) extend the sunset date for (A) Connecticut Foundation Solutions Indemnity Company, Inc., and (B) the Healthy Homes Fund surcharge.

[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.]