

**Proposed Substitute
Bill No. 6623**

LCO No. 5749

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 Section 38a-1 of the general statutes is repealed and the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 than 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. Section 38a-307 of the general statutes is repealed and the
117 following is substituted in lieu thereof (*Effective October 1, 2021, and*
118 *applicable to policies issued or renewed on or after said date*):

119 Except as provided in section 38a-307a, the standard form of fire
120 insurance policy of the state of Connecticut, with permission to
121 substitute for the word "Company" a more accurate descriptive term of
122 the type of insurer, shall be as follows:

123 [Space for insertion of name of company or companies issuing the
124 policy and other matter permitted to be stated at the head of the policy.]

125 [Space for listing amounts of insurance, rates and premiums for the
126 basic coverages insured under the standard form of policy and for
127 additional coverages or perils insured under endorsements attached.]

T1 In Consideration of the Provisions and Stipulations
T2 Herein or Added Hereto

T3 AND OF DOLLARS PREMIUM

T4 this company, for the term } from the day of 20.. { at noon,
T5 } } Standard Time,
T6 } } at
T7 of } to the day of 20.. } location of
T8 } } property
T9 } } involved
T8 to an amount not exceeding Dollars,
T9 does insure

128 and legal representatives, to the extent of the actual cash value of the
129 property at the time of loss, but not exceeding the amount which it
130 would cost to repair or replace the property with material of like kind
131 and quality within a reasonable time after such loss, without allowance
132 for any increased cost of repair or reconstruction by reason of any
133 ordinance or law regulating construction or repair, and without
134 compensation for loss resulting from interruption of business or
135 manufacture, nor in any event for more than the interest of the insured,
136 against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL
137 FROM PREMISES ENDANGERED BY THE PERILS INSURED
138 AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED,
139 to the property described hereinafter while located or contained as
140 described in this policy, or pro rata for five days at each proper place to
141 which any of the property shall necessarily be removed for preservation
142 from the perils insured against in this policy, but not elsewhere. The
143 actual cash value at the time of loss for a building described herein shall
144 be the amount which it would cost to repair or replace such building
145 with material of like kind and quality, minus reasonable depreciation.
146 As used herein, "depreciation" means a decrease in value of real
147 property over a period of time due to wear and tear.

148 Assignment of this policy shall not be valid except with the written
149 consent of this Company.

150 This policy is made and accepted subject to the foregoing provisions
151 and stipulations and those hereinafter stated, which are hereby made a
152 part of this policy, together with such other provisions, stipulations and
153 agreements as may be added hereto, as provided in this policy.

154 In Witness Whereof, this Company has executed and attested these
155 presents.

156 (Secretary).

157 (President).

158 Concealment, fraud. This entire policy shall be void if, whether before
159 or after a loss, the insured has wilfully concealed or misrepresented any
160 material fact or circumstance concerning this insurance or the subject
161 thereof, or the interest of the insured therein, or in case of any fraud or
162 false swearing by the insured relating thereto.

163 Uninsurable and excepted property. This policy shall not cover
164 accounts, bills, currency, deeds, evidences of debt, money or securities;
165 nor, unless specifically named hereon in writing, bullion or
166 manuscripts.

167 Perils not included. This Company shall not be liable for loss by fire
168 or other perils insured against in this policy caused, directly or
169 indirectly, by: (a) Enemy attack by armed forces, including action taken
170 by military, naval or air forces in resisting an actual or an immediately
171 impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e)
172 revolution; (f) civil war; (g) usurped power; (h) order of any civil
173 authority except acts of destruction at the time of and for the purpose of
174 preventing the spread of fire, provided that such fire did not originate
175 from any of the perils excluded by this policy; (i) neglect of the insured
176 to use all reasonable means to save and preserve the property at and
177 after a loss, or when the property is endangered by fire in neighboring
178 premises; (j) nor shall this Company be liable for loss by theft.

179 Other Insurance. Other insurance may be prohibited or the amount
180 of insurance may be limited by endorsement attached hereto.

181 Conditions suspending or restricting insurance. Unless otherwise
182 provided in writing added hereto this Company shall not be liable for
183 loss occurring (a) while the hazard is increased by any means within the
184 control or knowledge of the insured; or (b) while a described building,
185 whether intended for occupancy by owner or tenant, is vacant or
186 unoccupied beyond a period of sixty consecutive days; or (c) as a result
187 of explosion or riot, unless fire ensue, and in that event for loss by fire

188 only.

189 Other perils or subjects. Any other peril to be insured against or
190 subject of insurance to be covered in this policy shall be by endorsement
191 in writing hereon or added hereto.

192 Added provisions. The extent of the application of insurance under
193 this policy and of the contribution to be made by this Company in case
194 of loss, and any other provision or agreement not inconsistent with the
195 provisions of this policy, may be provided for in writing added hereto,
196 but no provision may be waived except such as by the terms of this
197 policy is subject to change.

198 Waiver provisions. No permission affecting this insurance shall exist,
199 or waiver of any provision be valid, unless granted herein or expressed
200 in writing added hereto. No provision, stipulation or forfeiture shall be
201 held to be waived by any requirement or proceeding on the part of this
202 Company relating to appraisal or to any examination provided for
203 herein.

204 Cancellation of policy. This policy shall be cancelled at any time at
205 the request of the insured, in which case this Company shall, upon
206 demand and surrender of this policy, refund the excess of paid premium
207 above the customary short rates for the expired time. This policy may
208 be cancelled at any time by this Company by giving to the insured and
209 any third party designated pursuant to section 38a-323a, a thirty days'
210 written notice of cancellation accompanied by the reason therefor with
211 or without tender of the excess of paid premium above the pro rata
212 premium for the expired time, which excess, if not tendered, shall be
213 refunded on demand. Notice of cancellation shall state that said excess
214 premium (if not tendered) will be refunded on demand. Where
215 cancellation is for nonpayment of premium at least ten days' written
216 notice of cancellation accompanied by the reason therefor shall be given.

217 Mortgagee interests and obligations. If loss hereunder is made
218 payable, in whole or in part, to a designated mortgagee not named

219 herein as the insured, such interest in this policy may be cancelled by
220 giving to such mortgagee a ten days' written notice of cancellation.

221 If the insured fails to render proof of loss such mortgagee, upon
222 notice, shall render proof of loss in the form herein specified within sixty
223 (60) days thereafter and shall be subject to the provisions hereof relating
224 to appraisal and time of payment and of bringing suit. If this Company
225 shall claim that no liability existed as the mortgagor or owner, it shall,
226 to the extent of payment of loss to the mortgagee, be subrogated to all
227 the mortgagee's rights of recovery, but without impairing mortgagee's
228 right to sue; or it may pay off the mortgage debt and require an
229 assignment thereof and of the mortgage. Other provisions relating to the
230 interests and obligations of such mortgagee may be added hereto by
231 agreement in writing.

232 Pro rata liability. This Company shall not be liable for a greater
233 proportion of any loss than the amount hereby insured shall bear to the
234 whole insurance covering the property against the peril involved,
235 whether collectible or not.

236 Requirements in case loss occurs. The insured shall give immediate
237 written notice to this Company of any loss, protect the property from
238 further damage, forthwith separate the damaged and undamaged
239 personal property, put it in the best possible order, furnish a complete
240 inventory of the destroyed, damaged and undamaged property,
241 showing in detail quantities, costs, actual cash value and amount of loss
242 claims; AND WITHIN SIXTY DAYS AFTER THE LOSS, UNLESS SUCH
243 TIME IS EXTENDED IN WRITING BY THIS COMPANY, THE
244 INSURED SHALL RENDER TO THIS COMPANY A PROOF OF LOSS,
245 signed and sworn to by the insured, stating the knowledge and belief of
246 the insured as to the following: The time and origin of the loss, the
247 interest of the insured and of all others in the property, the actual cash
248 value of each item thereof and the amount of loss thereto, all
249 encumbrances thereon, all other contracts of insurance, whether valid
250 or not, covering any of said property, any changes in the title, use,

251 occupation, location, possession or exposures of said property since the
252 issuing of this policy, by whom and for what purpose any building
253 herein described and the several parts thereof were occupied at the time
254 of loss and whether or not it then stood on leased ground, and shall
255 furnish a copy of all the descriptions and schedules in all policies and, if
256 required, verified plans and specification of any building, fixtures or
257 machinery destroyed or damaged. Not later than fifteen days after the
258 insured renders to the Company a completed, signed and sworn proof
259 of loss, the Company shall give written notice to the insured confirming
260 that the Company received such proof of loss. The insured, as often as
261 may be reasonably required, shall exhibit to any person designated by
262 this Company all that remains of any property herein described, and
263 submit to examinations under oath by any person named by this
264 Company, and subscribe the same; and, as often as may be reasonably
265 required, shall produce for examination all books of account, bills,
266 invoices and other vouchers, or certified copies thereof if originals be
267 lost, at such reasonable time and place as may be designated by this
268 Company or its representative, and shall permit extracts and copies
269 thereof to be made. Not later than twenty-one days after the insured
270 renders to the Company a completed, signed and sworn proof of loss,
271 the Company shall give written notice to the insured disclosing whether
272 the Company has approved or denied each loss claim and whether the
273 Company disputes the actual cash value of any loss claim.

274 Appraisal. In case the insured and this Company shall fail to agree as
275 to the actual cash value or the amount of loss, then, on the written
276 demand of either, each shall select a competent and disinterested
277 appraiser and notify the other of the appraiser selected within twenty
278 days of such demand. The appraisers shall first select a competent and
279 disinterested umpire; and failing for fifteen days to agree upon such
280 umpire, then, on request of the insured or this Company, such umpire
281 shall be selected by a judge of a court of record in this state in which the
282 property covered is located. The appraisers shall then appraise the loss
283 within fifteen days, stating separately actual cash value and loss to each
284 item; and, failing to agree, shall submit their differences, only, to the

285 umpire not later than fifteen days after such appraisal. An award in
286 writing, so itemized, of any two when filed with this Company shall
287 determine the amount of actual cash value and loss. Each appraiser shall
288 be paid by the party selecting him and the expenses of appraisal and
289 umpire shall be paid by the parties equally.

290 Company's options. It shall be optional with this Company to take
291 all, or any part, of the property at the agreed or appraised value, and
292 also to repair, rebuild or replace the property destroyed or damaged
293 with other of like kind and quality within a reasonable time, on giving
294 notice of its intention so to do within thirty days after the receipt of the
295 proof of loss herein required.

296 Abandonment. There can be no abandonment to this Company of
297 any property.

298 When loss payable. The amount of loss for which this Company may
299 be liable shall be payable thirty days after proof of loss, as herein
300 provided, is received by this Company and ascertainment of the loss is
301 made either by agreement between the insured and this Company
302 expressed in writing or by the filing with this Company of an award as
303 herein provided. This Company and the insured may agree in writing
304 to a partial payment of the amount of loss as an advance payment. Any
305 advance payment shall be credited against the total amount of loss due
306 to the insured. An advance payment shall not affect the requirement of
307 this Company to pay the total amount of loss not later than thirty days
308 after proof of loss.

309 Suit. No suit or action on this policy for the recovery of any claim
310 shall be sustainable in any court of law or equity unless all the
311 requirements of this policy shall have been complied with, and unless
312 commenced within twenty-four months next after inception of the loss.

313 Subrogation. This Company may require from the insured an
314 assignment of all right of recovery against any party for loss to the extent
315 that payment therefor is made by this Company.

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>October 1, 2021, and applicable to policies issued or renewed on or after said date</i>	38a-307