



General Assembly

Amendment

January Session, 2023

LCO No. 6936



Offered by:
REP. WOOD K., 29th Dist.

To: Subst. House Bill No. 6621

File No. 327

Cal. No. 226

"AN ACT CONCERNING THE RENEWAL OF SURPLUS LINES INSURANCE POLICIES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (b) of section 38a-741 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective October*
5 *1, 2023*):

6 (b) (1) When any policy of insurance is procured or renewed under
7 the authority of such license providing a line of insurance or its
8 component that does not, on the effective date of coverage, appear on
9 the current published list, both the licensee and the insured shall [write
10 signed statements setting forth facts showing that such licensee and
11 such insured were unable after] first make a diligent effort, as defined
12 by the commissioner, to procure, from any authorized insurer or
13 insurers, the full amount of insurance required to protect the interest of
14 such insured, and further showing (A) that the amount of insurance
15 procured from an unauthorized insurer or insurers is only the excess

16 over the amount so procurable from authorized insurers, (B) the type of
 17 policy, and (C) if such policy is for real property, the location of such
 18 property. Such licensee shall [file such signed statements in electronic
 19 format with the commissioner on February fifteenth, May fifteenth,
 20 August fifteenth and November fifteenth of each year] keep, in a form
 21 approved by the commissioner, and make available for examination by
 22 the commissioner upon request, all (i) documentation concerning such
 23 licensee's and insured's diligent effort to procure, from any authorized
 24 insurer or insurers, the full amount of insurance required to protect the
 25 interest of such insured, and (ii) information concerning each policy
 26 placed in the surplus lines market.

27 (2) The provisions of subdivision (1) of this subsection shall not apply
 28 to (A) any such policy providing or including flood insurance, including
 29 flood insurance procured from the National Flood Insurance Program,
 30 or (B) any policy of insurance procured under the authority of such
 31 license for an insured that is an exempt commercial purchaser, as
 32 defined in Section 527 of the Dodd-Frank Wall Street Reform and
 33 Consumer Protection Act, P.L. 111-203, as amended from time to time,
 34 provided (i) the surplus lines broker has disclosed to such exempt
 35 commercial purchaser that such insurance may or may not be available
 36 from an authorized insurer, that may provide greater protection with
 37 more regulatory oversight, and (ii) such exempt commercial purchaser
 38 has subsequently requested such broker, in writing, to procure such
 39 policy from an unauthorized insurer."

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	38a-741(b)