



General Assembly

Substitute Bill No. 1425

January Session, 2025



AN ACT CONCERNING MOTOR VEHICLE PROTECTION PRODUCTS.

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

1 Section 1. Section 42-260 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) As used in this section:

4 (1) "Extended warranty" means a contract or agreement to either
5 perform or provide indemnification for the repair, replacement or
6 maintenance of a product because of operational or structural failure of
7 such product due to a defect in materials, skill or workmanship or
8 normal wear and tear given for consideration over and above the lease
9 or purchase price of a product. "Extended warranty" includes, but is not
10 limited to: (A) The repair or replacement of tires or wheels on a motor
11 vehicle damaged as a result of coming into contact with road hazards,
12 including, but not limited to, pot holes, rocks, wood debris, metal parts,
13 glass, plastic, curbs or composite scraps; (B) the removal of dents, dings
14 or creases on a motor vehicle using the process of paintless dent removal
15 without (i) affecting the existing paint finish, (ii) replacing vehicle body
16 panels, (iii) sanding, (iv) bonding, or (v) painting; (C) the repair of chips
17 or cracks in, or the replacement of, a motor vehicle windshield as a result
18 of damage caused by such road hazards; (D) the replacement of a motor
19 vehicle key or key fob if such key or key fob becomes inoperable, or is

20 lost or stolen; or (E) in conjunction with a motor vehicle leased for
21 personal use, the repair, replacement or maintenance of property or
22 indemnification for repair, replacement or maintenance, due to excess
23 wear and use damage for items, including, but not limited to, tires, paint
24 cracks or chips, interior stains, rips or scratches, exterior dents or
25 scratches, windshield cracks or chips, missing interior or exterior parts
26 or excess mileage that result in a lease-end charge, provided any such
27 charge shall not exceed the purchase price of the motor vehicle.
28 "Extended warranty" does not include portable electronics insurance, as
29 defined in section 38a-397.

30 (2) "Extended warranty provider" means a person who issues, makes,
31 provides or offers to provide an extended warranty to a buyer and who
32 is contractually obligated to provide service under such extended
33 warranty, excluding a retail seller of an extended warranty if such seller:
34 (A) Is the manufacturer of the product covered under the extended
35 warranty, or a subsidiary of the manufacturer; (B) sells or offers an
36 extended warranty for a product obligating the manufacturer, a
37 subsidiary of the manufacturer, a distributor or an importer to provide
38 the service or indemnification arising under the extended warranty; or
39 (C) performs at least ninety per cent of the repair service provided to
40 buyers pursuant to extended warranties purchased from such seller.

41 (3) "Buyer" means a person who purchases an extended warranty
42 from an extended warranty provider.

43 (4) "Extended warranty reimbursement insurance policy" means a
44 policy of insurance providing coverage for all obligations and liabilities
45 incurred by an extended warranty provider under the terms of the
46 extended warranty sold to a buyer by such provider.

47 (5) "Vehicle theft protection product" means any device or system
48 that (A) is installed on or applied to a covered motor vehicle, (B) is
49 designed to prevent loss or damage to such covered motor vehicle from
50 theft, and (C) includes a vehicle theft protection product warranty.

51 (6) "Vehicle theft protection product warranty" means a contract or

52 agreement obligating a warrantor to pay to, or on behalf of, the vehicle
53 theft protection product warranty holder specified incidental costs as a
54 result of the failure of such vehicle theft protection product to perform
55 pursuant to the terms of such contract or agreement.

56 (b) An extended warranty shall obligate the extended warranty
57 provider to supply to the buyer all services and functional parts that
58 may be necessary to repair the product for the duration of the extended
59 warranty without additional charge, except as otherwise expressly
60 provided.

61 (c) An extended warranty shall contain all of the following:

62 (1) A clear description and identification of the product;

63 (2) The date when the extended warranty commences and its
64 duration, and, if the extended warranty is for less than one year, the
65 extended warranty shall include a provision for the automatic extension
66 of the extended warranty while the product is in the custody of the
67 extended warranty provider for repair under such warranty;

68 (3) A description of the limits on transfer or assignment of the
69 extended warranty if the enforceability of an extended warranty is
70 limited to the original buyer or is limited to persons other than every
71 consumer owner of the covered product during the term of the extended
72 warranty;

73 (4) A statement of the obligation of the extended warranty provider
74 including statements of: (A) Any services, parts, components, defects,
75 malfunctions, conditions, repairs or remedies that are excluded from the
76 scope of the extended warranty; (B) any limits on the obligations of the
77 extended warranty provider; (C) any additional services which the
78 extended warranty provider will supply; (D) whether the buyer has the
79 responsibility of any other obligations and, if so, the nature and
80 frequency of such obligations, and the consequences of any
81 noncompliance;

82 (5) A step-by-step explanation of the procedure which the buyer shall
83 follow in order to obtain performance of any obligation under the
84 extended warranty including: (A) The full legal and business name of
85 the extended warranty provider; (B) the mailing address of the extended
86 warranty provider; (C) the persons or class of persons that are
87 authorized to perform service; (D) the name or title and address of any
88 agent, employee or department of the extended warranty provider that
89 is responsible for the performance of any obligations; (E) the method of
90 giving notice to the extended warranty provider of the need for service;
91 (F) whether in-home service is provided or, if not, whether the costs of
92 transporting the product for service or repairs will be paid by the
93 extended warranty provider; (G) if the product must be transported to
94 the extended warranty provider, either the place where the product may
95 be delivered for service or repairs or a toll-free telephone number which
96 the buyer may call to obtain that information; (H) all other steps which
97 the buyer must take to obtain service; and (I) all fees, charges and other
98 costs that the buyer must pay to obtain service;

99 (6) A description of the services the extended warranty provider will
100 supply under the extended warranty; and

101 (7) A statement of a right to cancel the warranty if the buyer returns
102 the product or the product is sold, lost, stolen or destroyed, or a
103 statement that there is no right to cancel.

104 (d) (1) An extended warranty shall not be issued, sold or offered for
105 sale unless the extended warranty provider is insured under an
106 extended warranty reimbursement insurance policy issued by an
107 insurer authorized to do business in this state or the extended warranty
108 provider can demonstrate that reserves for claims contained in the
109 provider's financial statements are not in excess of one-half of a
110 provider's audited net worth. If such reserves are in excess of one-half
111 of a provider's net worth, the reserves shall be held in trust by an
112 independent trustee and certified annually as adequate by an actuary.

113 (2) The extended warranty reimbursement insurance policy shall

114 cover the obligations under the extended warranty sold by the extended
115 warranty provider during the period of time that such provider's
116 insurance policy is in force.

117 (3) An insurer authorized to issue an extended warranty
118 reimbursement insurance policy in this state shall, at the time the policy
119 is filed with the Insurance Commissioner as set forth in subsection (c) of
120 section 38a-676 and continuously thereafter: (A) Maintain a surplus as
121 to policyholders and paid-in capital of not less than fifteen million
122 dollars; (B) demonstrate to the satisfaction of said commissioner that the
123 company maintains a ratio of net written premiums, wherever written,
124 to a surplus as to policyholders and paid-in capital of not greater than
125 three to one; and (C) annually file with the Insurance Commissioner
126 copies of such insurer's audited financial statements, its National
127 Association of Insurance Commissioners' Annual Statement and the
128 actuarial certification required by and filed in such insurer's state of
129 domicile.

130 (e) An extended warranty provider shall submit to the Insurance
131 Commissioner: (1) A copy of the extended warranty form issued by said
132 provider; and (2) a copy of said provider's extended warranty
133 reimbursement insurance policy form issued by an insurer authorized
134 to do business in this state or a certification by a certified public
135 accountant attesting to the adequacy of the reserves for claims reported
136 on said provider's financial statements or contained in said provider's
137 trust account.

138 (f) (1) An extended warranty shall contain the name and address of
139 the insurers insuring the obligations and liabilities of such warranty and
140 instructions on how the buyer, or successor to the buyer's rights, of the
141 product may file a claim with the insurer if the extended warranty
142 provider fails to perform according to the terms of the extended
143 warranty.

144 (2) An insurer of an extended warranty shall not refuse to renew any
145 policy unless such insurer or its agent shall send, by registered or

146 certified mail or by mail evidenced by a certificate of mailing or delivery
147 to the Insurance Commissioner, at least sixty days' advance notice of its
148 intention not to renew. The notice of intent not to renew shall state or be
149 accompanied by a statement specifying the reason for such nonrenewal.

150 (g) The Insurance Commissioner shall develop regulations, in
151 accordance with chapter 54, implementing an arbitration process to
152 settle disputes arising from extended warranty contracts between
153 extended warranty providers and buyers.

154 (h) Nothing in this section shall apply to a home warranty contract or
155 home warranty service agreement, as defined in section 38a-320, or
156 regulated utilities.

157 (i) No contract or agreement providing any extended warranty or
158 vehicle theft protection product warranty shall constitute engaging in
159 the business of insurance in this state.

160 Sec. 2. Subsection (a) of section 38a-11 of the general statutes is
161 repealed and the following is substituted in lieu thereof (*Effective October*
162 *1, 2025*):

163 (a) The commissioner shall demand and receive the following fees:
164 (1) For the annual fee for each license issued to a domestic insurance
165 company, two hundred dollars; (2) for receiving and filing annual
166 reports of domestic insurance companies, fifty dollars; (3) for filing all
167 documents prerequisite to the issuance of a license to an insurance
168 company, two hundred twenty dollars, except that the fee for such
169 filings by any health care center, as defined in section 38a-175, shall be
170 one thousand three hundred fifty dollars; (4) for filing any additional
171 paper required by law, thirty dollars; (5) for each certificate of valuation,
172 organization, reciprocity or compliance, forty dollars; (6) for each
173 certified copy of a license to a company, forty dollars; (7) for each
174 certified copy of a report or certificate of condition of a company to be
175 filed in any other state, forty dollars; (8) for amending a certificate of
176 authority, two hundred dollars; (9) for each license issued to a rating
177 organization, two hundred dollars. In addition, insurance companies

178 shall pay any fees imposed under section 12-211; (10) a filing fee of fifty
179 dollars for each initial application for a license made pursuant to section
180 38a-769; (11) with respect to insurance agents' appointments: (A) A
181 filing fee of fifty dollars for each request for any agent appointment,
182 except that no filing fee shall be payable for a request for agent
183 appointment by an insurance company domiciled in a state or foreign
184 country which does not require any filing fee for a request for agent
185 appointment for a Connecticut insurance company; (B) a fee of one
186 hundred dollars for each appointment issued to an agent of a domestic
187 insurance company or for each appointment continued; and (C) a fee of
188 eighty dollars for each appointment issued to an agent of any other
189 insurance company or for each appointment continued, except that (i)
190 no fee shall be payable for an appointment issued to an agent of an
191 insurance company domiciled in a state or foreign country which does
192 not require any fee for an appointment issued to an agent of a
193 Connecticut insurance company, and (ii) the fee shall be twenty dollars
194 for each appointment issued or continued to an agent of an insurance
195 company domiciled in a state or foreign country with a premium tax
196 rate below Connecticut's premium tax rate; (12) with respect to
197 insurance producers: (A) An examination fee of fifteen dollars for each
198 examination taken, except when a testing service is used, the testing
199 service shall pay a fee of fifteen dollars to the commissioner for each
200 examination taken by an applicant; (B) a fee of eighty dollars for each
201 license issued; (C) a fee of eighty dollars per year, or any portion thereof,
202 for each license renewed; and (D) a fee of eighty dollars for any license
203 renewed under the transitional process established in section 38a-784;
204 (13) with respect to public adjusters: (A) An examination fee of fifteen
205 dollars for each examination taken, except when a testing service is
206 used, the testing service shall pay a fee of fifteen dollars to the
207 commissioner for each examination taken by an applicant; and (B) a fee
208 of two hundred fifty dollars for each license issued or renewed; (14) with
209 respect to casualty claims adjusters: (A) An examination fee of twenty
210 dollars for each examination taken, except when a testing service is
211 used, the testing service shall pay a fee of twenty dollars to the
212 commissioner for each examination taken by an applicant; (B) a fee of

213 eighty dollars for each license issued or renewed; and (C) the expense of
214 any examination administered outside the state shall be the
215 responsibility of the entity making the request and such entity shall pay
216 to the commissioner two hundred dollars for such examination and the
217 actual traveling expenses of the examination administrator to
218 administer such examination; (15) with respect to motor vehicle
219 physical damage appraisers: (A) An examination fee of eighty dollars
220 for each examination taken, except when a testing service is used, the
221 testing service shall pay a fee of eighty dollars to the commissioner for
222 each examination taken by an applicant; (B) a fee of eighty dollars for
223 each license issued or renewed; and (C) the expense of any examination
224 administered outside the state shall be the responsibility of the entity
225 making the request and such entity shall pay to the commissioner two
226 hundred dollars for such examination and the actual traveling expenses
227 of the examination administrator to administer such examination; (16)
228 with respect to certified insurance consultants: (A) An examination fee
229 of twenty-six dollars for each examination taken, except when a testing
230 service is used, the testing service shall pay a fee of twenty-six dollars to
231 the commissioner for each examination taken by an applicant; (B) a fee
232 of two hundred fifty dollars for each license issued; and (C) a fee of two
233 hundred fifty dollars for each license renewed; (17) with respect to
234 surplus lines brokers: (A) An examination fee of twenty dollars for each
235 examination taken, except when a testing service is used, the testing
236 service shall pay a fee of twenty dollars to the commissioner for each
237 examination taken by an applicant; and (B) a fee of six hundred twenty-
238 five dollars for each license issued or renewed; (18) with respect to
239 fraternal agents, a fee of eighty dollars for each license issued or
240 renewed; (19) a fee of twenty-six dollars for each license certificate
241 requested, whether or not a license has been issued; (20) with respect to
242 domestic and foreign benefit societies shall pay: (A) For service of
243 process, fifty dollars for each person or insurer to be served; (B) for filing
244 a certified copy of its charter or articles of association, fifteen dollars; (C)
245 for filing an annual statement or report, twenty dollars; and (D) for filing
246 any additional paper required by law, fifteen dollars; (21) with respect
247 to foreign benefit societies: (A) For each certificate of organization or

248 compliance, fifteen dollars; (B) for each certified copy of permit, fifteen
249 dollars; and (C) for each copy of a report or certificate of condition of a
250 society to be filed in any other state, fifteen dollars; (22) with respect to
251 reinsurance intermediaries, a fee of six hundred twenty-five dollars for
252 each license issued or renewed; (23) with respect to life settlement
253 providers: (A) A filing fee of twenty-six dollars for each initial
254 application for a license made pursuant to section 38a-465a; and (B) a
255 fee of forty dollars for each license issued or renewed; (24) with respect
256 to life settlement brokers: (A) A filing fee of twenty-six dollars for each
257 initial application for a license made pursuant to section 38a-465a; and
258 (B) a fee of forty dollars for each license issued or renewed; (25) with
259 respect to preferred provider networks, a fee of two thousand seven
260 hundred fifty dollars for each license issued or renewed; (26) with
261 respect to rental companies, as defined in section 38a-799, a fee of eighty
262 dollars for each permit issued or renewed; (27) with respect to medical
263 discount plan organizations licensed under section 38a-479rr, a fee of six
264 hundred twenty-five dollars for each license issued or renewed; (28)
265 with respect to pharmacy benefits managers, an application fee of one
266 hundred dollars for each registration issued or renewed; (29) with
267 respect to captive insurance companies, as defined in section 38a-91aa,
268 a fee of three hundred seventy-five dollars for each license issued or
269 renewed; (30) with respect to each duplicate license issued a fee of fifty
270 dollars for each license issued; (31) with respect to surety bail bond
271 agents, as defined in section 38a-660, (A) a filing fee of one hundred fifty
272 dollars for each initial application for a license, and (B) a fee of one
273 hundred dollars for each license issued or renewed; (32) with respect to
274 third-party administrators, as defined in section 38a-720, (A) a fee of five
275 hundred dollars for each license issued, and (B) a fee of four hundred
276 fifty dollars for each license renewed; (33) with respect to portable
277 electronics insurance licenses under section 38a-397, (A) a filing fee of
278 one hundred dollars for each initial application for a license, (B) a fee of
279 five hundred dollars for each license issued, and (C) a fee of four
280 hundred fifty dollars for each license renewed; (34) with respect to
281 limited lines travel insurance producer licenses under section 38a-398,
282 (A) a filing fee of one hundred dollars for each initial application for a

283 license, (B) a fee of six hundred fifty dollars for each license issued, and
 284 (C) a fee of six hundred fifty dollars for each license renewed; (35) with
 285 respect to certified reinsurers, as certified by the commissioner pursuant
 286 to regulations adopted pursuant to section 38a-85, a fee of two thousand
 287 dollars for each certificate issued and renewed; [and] (36) with respect
 288 to reciprocal jurisdiction reinsurers, as defined in regulations adopted
 289 pursuant to section 38a-85, a fee of two thousand dollars for each
 290 certificate issued and renewed; (37) with respect to extended warranty
 291 providers, as defined in section 42-260, as amended by this act, a fee of
 292 one thousand five hundred dollars when filing (A) a rate request with a
 293 filing for any merger, acquisition or change of control, (B) a rate request,
 294 or (C) for any merger, acquisition or change of control; and (38) with
 295 respect to warrantors of vehicle theft protection products, as defined in
 296 section 42-260, as amended by this act, a fee of one thousand five
 297 hundred dollars when filing (A) a rate request with a filing for any
 298 merger, acquisition or change of control, (B) a rate request, or (C) for any
 299 merger, acquisition or change of control.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	42-260
Sec. 2	October 1, 2025	38a-11(a)

INS *Joint Favorable Subst.*