

House of Representatives, March 30, 1998. The Committee on Insurance and Real Estate reported through REP. AMANN, 118th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING OIL TANK PROTECTION PLANS.

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

1 Section 1. Section 38a-320 of the general  
2 statutes, as amended by public act 97-48, is  
3 repealed and the following is substituted in lieu  
4 thereof:

5 (a) (1) As used in this section, "home  
6 warranty contract" or "home warranty service  
7 agreement" means [any] AN agreement in which [any]  
8 A person, firm, corporation or association  
9 promises or agrees to repair or replace any  
10 structural component of a single or  
11 [multiple-family] MULTIFAMILY dwelling of four or  
12 less units, necessitated by [(1)] (A) wear and  
13 tear, [(2)] (B) deterioration or inherent defect,  
14 [(3)] (C) failure of an inspection to detect the  
15 likelihood of wear and tear, deterioration or such  
16 defect, or [(4)] (D) substandard material or  
17 workmanship. The provisions of this subsection  
18 shall not apply to an agreement of any seller with  
19 a purchaser, guaranteeing workmanship and  
20 materials in connection with the sale of such  
21 property.

22 (2) AS USED IN THIS SECTION, "OIL TANK  
23 PROTECTION PLAN" MEANS AN AGREEMENT IN WHICH A

24 PERSON, FIRM, CORPORATION OR ASSOCIATION PROMISES  
25 OR AGREES (A) TO REPAIR, REPLACE OR REMOVE ANY OIL  
26 TANK OR ANY PART THEREOF, (B) TO REMOVE OR DISPOSE  
27 OF OIL, SOIL OR WATER AFTER AN OIL TANK LEAK, OR  
28 (C) TO COVER ANY OTHER LOSSES RELATED TO AN OIL  
29 TANK WHICH IS IN OR ADJACENT TO A SINGLE OR  
30 MULTIFAMILY DWELLING.

31 (b) A home warranty contract, [or] home  
32 warranty service agreement OR OIL TANK PROTECTION  
33 PLAN as defined in subsection (a) of this section  
34 shall constitute a contract of insurance within  
35 the meaning of section 38a-319.

36 Sec. 2. Subsection (d) of section 38a-782 of  
37 the general statutes is repealed and the following  
38 is substituted in lieu thereof:

39 (d) The commissioner may waive the  
40 requirement for examination in the case of (1) any  
41 applicant for an insurance producer's license who  
42 is a nonresident of this state and who holds an  
43 equivalent license from the state in which the  
44 applicant resides. The commissioner of this state  
45 shall make such determination; (2) any applicant  
46 for a travel accident or baggage agent's license;  
47 (3) any applicant who at any time within two years  
48 next preceding the date of application has been  
49 licensed in this state under a license of the same  
50 type as the license applied for; (4) an applicant  
51 for a temporary producer's license provided for in  
52 section 38a-783; (5) any applicant for a life  
53 producer's license who has been awarded the  
54 professional designation of Chartered Life  
55 Underwriter; (6) any applicant for a property or  
56 casualty producer's license who has been awarded  
57 the professional designation of Chartered Property  
58 and Casualty Underwriter; (7) an applicant for a  
59 producer's license to sell home warranty  
60 contracts, [or] home warranty service agreements  
61 OR OIL TANK PROTECTION PLANS, as defined in  
62 subsection (a) of section 38a-320, AS AMENDED BY  
63 SECTION 1 OF THIS ACT; (8) any applicant for a  
64 producer's license to sell automobile mechanical  
65 breakdown insurance; (9) any applicant for a  
66 producer's license to sell (A) policies covering  
67 property sold under a conditional bill of sale or  
68 instalment sales contract where the premium for  
69 such coverage is included as an item in such sales  
70 or financing contracts, or (B) policies insuring  
71 the life or health of a purchaser or borrower if

72 the premium for such coverage is included in the  
73 financing or mortgaging agreement; (10) any  
74 applicant for a license to sell title insurance;  
75 or (11) any miscellaneous line of insurance  
76 designated by the commissioner pursuant to  
77 regulations adopted in accordance with chapter 54.

78 INS COMMITTEE VOTE: YEA 18 NAY 0 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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**FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5466**

STATE IMPACT	Workload	Increase	(Insurance
	Fund),	Within	Anticipated
	Budgetary	Resources,	see
	explanation	below	

MUNICIPAL IMPACT	None
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STATE AGENCY(S)	Department of Insurance
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**EXPLANATION OF ESTIMATES:**

The bill makes oil tank protection plans contracts of insurance subject to regulation by the Insurance Commissioner and gives him the authority to waive the insurance producer's licensing examination for applicants who want to sell them.

There is a indeterminate workload increase for the Department of Insurance associated with the department regulating oil tank protection plans. It is uncertain as to whether this can be handled within the department's resources.

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**OLR BILL ANALYSIS**

SHB 5466

**AN ACT CONCERNING OIL TANK PROTECTION PLANS**

**SUMMARY:** This bill makes oil tank protection plans contracts of insurance subject to regulation by the insurance commissioner and gives him the authority to waive the insurance producer's licensing examination

for applicants who want to sell them. The bill defines these plans as agreements in which a person, firm, corporation, or association promises or agrees to (1) repair, replace, or remove an oil tank or its parts; (2) remove or dispose of oil, soil, or water after the tank leaks; or (3) cover any other losses related to an oil tank in or adjacent to a single or multifamily dwelling.

EFFECTIVE DATE: October 1, 1998

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute  
Yea 18 Nay 0