AN ACT CONCERNING ADDITIONAL ASSISTANCE FOR HOMEOWNERS WITH CRUMBLING CONCRETE FOUNDATIONS.

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

Section 1. (NEW) (Effective from passage) Each insurance company that delivers, issues for delivery, renews, amends or endorses a homeowners insurance policy in this state on or after the effective date of this section shall provide coverage for:

(1) The peril of collapse, which shall include, but not be limited to, impairment of the structural integrity of all or part of the covered dwelling, where such impairment arises from factors including, but not limited to, (A) decay, of a building or any part of a building, that is hidden from view, or (B) defective materials or construction methods used in the construction or renovation of a building or any part of a building; and

(2) Mitigation that is undertaken to prevent all or part of the covered dwelling from falling down or caving in.
Sec. 2. Section 38a-816 of the general statutes is amended by adding subdivision (23) as follows (Effective from passage):

(NEW) (23) Refusing to insure, refusing to continue to insure or limiting the amount, extent or kind of coverage available to an individual because such individual's policy includes coverage for the peril of collapse. In addition to being an unfair and deceptive act or practice in the business of insurance, a violation of this subdivision shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b.

Sec. 3. Section 38a-307 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2018):

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

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

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

In Consideration of the Provisions and Stipulations Herein or Added Hereto

AND OF ...............................................................

DOLLARS PREMIUM

this company, for the term from the .... day of .... 20..

of .... to the .... day of .... 20..

to an amount not exceeding ..........................................................

Dollars,

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

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

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

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

.... (Secretary).

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

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

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

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

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

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

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

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

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

Mortgagee interests and obligations. If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named
herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.

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

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

Requirements in case loss occurs. The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claims; AND WITHIN SIXTY DAYS AFTER THE LOSS, UNLESS SUCH TIME IS EXTENDED IN WRITING BY THIS COMPANY, THE INSURED SHALL RENDER TO THIS COMPANY A PROOF OF LOSS, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: The time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since
the issuing of this policy, by whom and for what purpose any building
herein described and the several parts thereof were occupied at the
time of loss and whether or not it then stood on leased ground, and
shall furnish a copy of all the descriptions and schedules in all policies
and, if required, verified plans and specification of any building,
fixtures or machinery destroyed or damaged. The insured, as often as
may be reasonably required, shall exhibit to any person designated by
this Company all that remains of any property herein described, and
submit to examinations under oath by any person named by this
Company, and subscribe the same; and, as often as may be reasonably
required, shall produce for examination all books of account, bills,
invoices and other vouchers, or certified copies thereof if originals be
lost, at such reasonable time and place as may be designated by this
Company or its representative, and shall permit extracts and copies
thereof to be made.

Appraisal. In case the insured and this Company shall fail to agree
as to the actual cash value or the amount of loss, then, on the written
demand of either, each shall select a competent and disinterested
appraiser and notify the other of the appraiser selected within twenty
days of such demand. The appraisers shall first select a competent and
disinterested umpire; and failing for fifteen days to agree upon such
umpire, then, on request of the insured or this Company, such umpire
shall be selected by a judge of a court of record in this state in which
the property covered is located. The appraisers shall then appraise the
loss, stating separately actual cash value and loss to each item; and,
failing to agree, shall submit their differences, only, to the umpire. An
award in writing, so itemized, of any two when filed with this
Company shall determine the amount of actual cash value and loss.
Each appraiser shall be paid by the party selecting him and the
expenses of appraisal and umpire shall be paid by the parties equally.

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

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

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

Suit. No suit or action on this policy for the recovery of any claim
shall be sustainable in any court of law or equity unless all the
requirements of this policy shall have been complied with, and unless
commenced within twenty-four months next after inception of the loss,
except a suit or action on this policy for the recovery of a claim arising
from the peril of collapse or for mitigation undertaken pursuant to
section 1 of this act may be commenced within seventy-two months
next after inception of the loss and the insured may recover damages,
attorneys' fees and costs in a suit or action on a policy for the recovery
of a claim arising from the peril of collapse.

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

Sec. 4. Section 38a-817 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2018):

(a) Whenever the commissioner has reason to believe that any such
person has been engaged or is engaging in violation of sections 38a-815 to 38a-819, inclusive, in any unfair method of competition or any unfair or deceptive act or practice defined in section 38a-816, as amended by this act, and that a proceeding by the commissioner in respect thereto would be in the interest of the public, the commissioner shall issue and serve upon such person a statement of the charges in that respect and a notice of a hearing thereon to be held at a time and place fixed in the notice, which shall not be less than thirty days after the date of the service thereof. At the time and place fixed for such hearing, such person shall have an opportunity to be heard and to show cause why an order should not be made by the commissioner requiring such person to cease and desist from the acts, methods or practices so complained of. Upon good cause shown, the commissioner shall permit any person to intervene, appear and be heard at such hearing by counsel or in person. The commissioner, upon such hearing, may administer oaths, examine and cross-examine witnesses and receive oral and documentary evidence, and shall have the power to subpoena witnesses, compel their attendance and require the production of books, papers, records, correspondence or other documents that the commissioner deems relevant to the inquiry. If any person refuses to comply with any subpoena issued hereunder or to testify with respect to any matter concerning which the person may be lawfully interrogated, the superior court for the judicial district of New Britain or the superior court for the judicial district where such person resides may, on application of the commissioner, issue an order requiring such person to comply with such subpoena and to testify. Any failure to obey any such order of the court may be punished by the court as a contempt thereof. Statements of charges, notices, orders and other processes of the commissioner under sections 38a-815 to 38a-819, inclusive, may be served in the manner provided by law for service of process in civil actions.

(b) If, after such hearing, the commissioner determines that the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice, the commissioner shall reduce the
findings to writing and shall issue and cause to be served upon the person charged with the violation a copy of such findings and an order requiring such person to cease and desist from engaging in such method of competition, act or practice and if the act or practice is a violation of section 38a-816, as amended by this act, the commissioner may order any of the following: (1) Payment of a monetary penalty of not more than five thousand dollars for each act or violation but not to exceed an aggregate penalty of fifty thousand dollars unless the person knew or reasonably should have known that the person was in violation of sections 38a-815 and 38a-816, as amended by this act, this subsection and subsection (e) of this section, in which case the penalty shall be not more than twenty-five thousand dollars for each act or violation but not to exceed an aggregate penalty of two hundred fifty thousand dollars in any six-month period; (2) suspension or revocation of the person's license if the person knew or reasonably should have known the person was in violation of said sections and subsections; [or] (3) restitution of any sums shown to have been obtained in violation of any of the provisions of said sections or any regulation implementing the provisions of said sections; and (4) in addition to the relief provided under subdivisions (1) to (3), inclusive, of this subsection, costs and reasonable attorneys' fees based on the work reasonably performed by an attorney and not on the amount of recovery.

(c) Any person aggrieved by any such order of the commissioner may appeal therefrom in accordance with the provisions of section 4-183, except venue for such appeal shall be in the judicial district of New Britain.

(d) No order of the commissioner under sections 38a-815 to 38a-819, inclusive, shall relieve or absolve any person affected by such order from any liability under any other laws of this state.

(e) Any person who violates a cease and desist order of the commissioner made pursuant to this section and while such order is in effect shall, after notice and hearing and upon order of the
commissioner, be subject to any of the following: (1) A monetary penalty of not more than fifty thousand dollars for each act or violation; or (2) suspension or revocation of such person’s license.

Sec. 5. (NEW) (Effective July 1, 2018) (a) Each admitted and nonadmitted insurer that issues, renews, amends or endorses a homeowners insurance policy, a renters insurance policy, a condominium unit owners insurance policy or a master policy that is required to be purchased by a condominium association pursuant to section 47-83 of the general statutes or by a unit owners’ association pursuant to section 47-255 of the general statutes on or after July 1, 2018, on any property or risks located or resident in this state, shall collect a surcharge of twenty dollars per policy. Such insurer shall state the surcharge separately on a billing notice or policy declaration or in a document provided to the named insured under such policy. In no event shall the surcharge be considered premium for the issuance of such insurance policy.

(b) (1) For each insurance policy subject to subsection (a) of this section issued, renewed, amended or endorsed by an admitted insurer, the admitted insurer shall remit to the Insurance Commissioner, not later than March fifteenth annually, all such surcharges collected during the calendar year next preceding and shall include with such remittance, in a form and manner prescribed by the commissioner, documentation to substantiate the surcharge amount remitted.

(2) For each insurance policy subject to subsection (a) of this section issued, renewed, amended or endorsed by a nonadmitted insurer, the licensee who procured, continued or renewed such coverage shall remit to the Insurance Commissioner, on or before February fifteenth annually, all such surcharges collected during the calendar year next preceding and shall include with such remittance, in a form and manner prescribed by the commissioner, documentation to substantiate the surcharge amount remitted. For purposes of this subdivision, "licensee" has the same meaning as provided in subsection (b) of section 38a-743 of the general statutes.
(c) All such remittances collected shall be deposited in the Crumbling Foundation Assistance Fund established pursuant to section 8-441 of the general statutes.

(d) The Insurance Commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to carry out the purposes of this section.

(e) The surcharge required under subsection (a) of this section shall terminate on June 30, 2025.

Sec. 6. Subsection (c) of section 38a-743 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2018):

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

(B) With respect to nonadmitted insurance of the type specified under subsection (a) of section 5 of this act, where such coverage is procured, continued or renewed for an insured by a licensee on or after July 1, 2018, such licensee shall pay, in accordance with subdivision (3) of this subsection, the surcharge required under subsection (a) of section 5 of this act.

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

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

(3) For calendar years beginning on or after January 1, 2012, each licensee shall pay to the Insurance Commissioner, in accordance with procedures established and on forms provided by said commissioner, (A) on or before May fifteenth of each year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from January first to March thirty-first of that year; (B) on or before August fifteenth of each year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from April first to June thirtieth of that year; (C) on or before November fifteenth of each year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from July first to September thirtieth of that year; and (D) (i) on or before February fifteenth of each year succeeding a year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from October first to December thirty-first of the preceding year, and (ii) beginning July 1, 2018, on or before February fifteenth of each year succeeding a year in which nonadmitted insurance of the type specified under subsection (a) of section 5 of this act was procured, continued or renewed, the surcharge required under said subsection.
(4) In the event of cancellation and rewriting of any nonadmitted insurance contract, the premium for purposes of this subsection shall be the premium in excess of the unearned premium of the cancelled insurance contract.

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

This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section 1</th>
<th>from passage</th>
<th>New section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 2</td>
<td>from passage</td>
<td>38a-816</td>
</tr>
<tr>
<td>Sec. 3</td>
<td>July 1, 2018</td>
<td>38a-307</td>
</tr>
<tr>
<td>Sec. 4</td>
<td>July 1, 2018</td>
<td>38a-817</td>
</tr>
<tr>
<td>Sec. 5</td>
<td>July 1, 2018</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 6</td>
<td>July 1, 2018</td>
<td>38a-743(c)</td>
</tr>
</tbody>
</table>

**Statement of Purpose:**
To provide additional assistance to homeowner's with crumbling concrete foundations.

[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.]