

Secretary of the State File Number

**6318**

Regulation of the  
**Insurance Department**  
Concerning

**Technical Changes to Certain Insurance Regulations**

Regulations adopted after July 1, 2013, become effective upon posting to the Connecticut eRegulations System, or at a later date if specified within the regulation.

Posted to the Connecticut eRegulations System on **June 3, 2020**

EFFECTIVE DATE

**June 3, 2020**

Approved by the Attorney General on

**March 4, 2020**

Deemed Approved pursuant to CGS Section 4-170(c) by the Legislation Regulation

Review Committee on

**May 12, 2020**

Electronic copy with agency head certification statement electronically submitted to and received by the Office of the Secretary of the State on

**May 28, 2020**

Form ICM-ECOPY (NEW 6/2015)  
State of Connecticut  
Secretary of the State



**IMPORTANT NOTICE FOR CONNECTICUT STATE AGENCIES**  
This form should be used only for regulations first noticed on and after March 23, 2015.

## Electronic Copy Certification Statement

*(Submitted in accordance with the provisions of section 4-172 of the Connecticut General Statutes)*

Regulation of the  
**INSURANCE DEPARTMENT**  
Concerning  
**Technical Corrections to Certain Insurance Regulations**

Approved by the Legislative Regulation Review Committee: **5/20/2020**  
eRegulations System Tracking Number: **TA2019-026**

**I hereby certify** that the electronic copy of the above-referenced regulation submitted herewith to the Secretary of the State is a true and accurate copy of the regulation approved in accordance with sections 4-169 and 4-170 of the *Connecticut General Statutes*.

**And I further certify** that in accordance with the approval of Legislative Regulation Review Committee, all required technical corrections, page substitutions and deletions, if any, have been incorporated into said regulation.

**In testimony whereof**, I have hereunto set my hand on **May, 28 2020**.

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Andrew N. Mais  
Commissioner  
Insurance Department

**State of Connecticut**  
**Regulation of**  
**Insurance Department**  
**Concerning**  
**Technical Changes to Certain Insurance Regulations**

Section 1. Section 38a-788-1 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 38a-788-1. Authority**

The following regulations are promulgated under the authority set forth in Section [38a-769] 38a-788 of the Connecticut General Statutes.

Sec. 2. Section 38a-788-6 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 38a-788-6. Form of contract**

No public adjuster shall enter into an employment contract except in conformity with this regulation. There shall be a true copy of the employment contract which shall be given to the client at the time the contract is signed. The contract and [copy(ies)] all copies of the contract shall (1) be printed on white or cream paper in dark or black ink; (2) have section titles captioned in bold face type which otherwise stands out significantly from the text; (3) have statements on the contract which read “read both sides before signing” and “I have read the information on both sides of this contract” printed in 18 point bookman type; (4) use layout and spacing which separates the paragraphs from each other and from the border of the paper; and (5) be on one piece of paper measuring 8½” x 11” to be printed on both sides and which shall state:

*(continued next page)*

(1) On side one:

**INFORMATION ABOUT YOUR**  
**PUBLIC ADJUSTER EMPLOYMENT CONTRACT**

**YOUR LEGAL RIGHTS:**

**Cancellation:** You may cancel this contract by notifying us at the address shown on the other side of this page, in writing, by certified mail, return receipt [postmarked] requested, or, if agreed upon by you and us, by electronic means with proof of a delivery receipt posted or delivered not later than midnight [two (2) days] of the fourth calendar day following the day this contract is signed. If the contract is signed on a Friday, Saturday or Sunday, you will have until midnight on the following [Tuesday] Thursday to [mail] send the notice of cancellation to us as described above.

**Settlement offer:** We shall forward to you any written settlement offer from the insurance company.

**Fee:** Our services are available for a fee to be paid by you. We cannot charge you a fee greater than ten percent (10%) of the actual or final settlement of the loss covered by this contract nor can we rebate any part of the fee specified in this Employment Contract.

**Copy of the contract:** We must give you a true copy of this Employment Contract at the time you

sign it.

**LIMITATIONS OF PUBLIC ADJUSTERS:**

We are not allowed:

- to solicit your employment between 8:00 p.m. and 8:00 a.m.
- to solicit your employment if you have already hired or contracted with another public adjuster.
- to have any interest whatsoever in any construction, salvage, or appraisal business.
- to represent both an insurer and an insured at the same time.
- to pay anything of value to any person as an inducement to refer business to us.
- to share our fee, except with another licensed Public Adjuster.
- to advise you on any question of law.
- to advance any monies to you before settlement of the loss, where such amount would be included in the final settlement.
- to make false statements about an insurance company or its representatives.

We must:

- sign this Contract.
- inform you that we do not represent any insurance company or any insurance company adjusting firm.

(2) On side two:

**\*NAME OF LICENSED PUBLIC ADJUSTER  
ADDRESS  
TELEPHONE NUMBER**

\_\_\_\_\_  
 Names of individual public  
 Adjuster licensee(s) to appear  
 here

**READ BOTH SIDES BEFORE SIGNING** *(18 point bookman type)*  
**PUBLIC ADJUSTER EMPLOYMENT CONTRACT**

To the Interested Insurance Companies and Others Whom it [My] May Concern: I/we retain \_\_\_\_\_ to act

(name of public adjuster)

as my/our public adjuster(s) and to advise and assist in the adjustment and settlement of my/our \_\_\_\_\_ loss at

(type)

\_\_\_\_\_ which occurred on or  
 (address)

about \_\_\_\_\_. In consideration for these services, I/we hereby  
 (date)

assign out of the monies due or to become due from said Insurance Companies on account of the said loss a sum equivalent to \_\_\_\_\_ % percent of the amount of the loss when adjusted with the Insurance Companies or otherwise recovered.

\_\_\_\_\_  
 (date)

Signed:

\_\_\_\_\_  
 (signature of insured)

(signature of insured)

\_\_\_\_\_  
(name)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(city & state)

Agreed to:

\_\_\_\_\_  
(name of individual or firm licensee)

By:

\_\_\_\_\_  
(signature of public adjuster)

This form is in compliance with Section 38a-788-6 of the Regulations of [the Connecticut Insurance Department] Connecticut State Agencies. This form must be signed by the licensed Public Adjuster and by the Insured.

\_\_\_\_\_  
\*The name of the licensee must appear here. If you operate as a firm or on behalf of a firm, show name of firm licensee here and names of all individual licensees in designated area.

Sec. 3. Section 38a-10-2 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 38a-10-2. Definitions**

As used in this regulation:

(a) “Arbitration” means the process in which each party presents its case at a hearing to the arbitrator for a final decision.

Arbitration may be conducted, at the option of the claimant, either upon the submission of documents to the arbitrator or at an oral hearing.

(b) “Arbitrator” means a person selected by the Commissioner in accordance with subsection (b) of Section 38a-9 of the General Statutes to hear and decide disputes between a claimant and an insurance company concerning automobile physical damage and automobile property damage liability claims in which liability and coverage are not in dispute.

(c) “Claimant” means any person who attempts to obtain a benefit from his insurer in relation to a first party automobile physical damage claim or presents a third party claim against an insured for property damage liability to his private passenger motor vehicle, when liability and coverage are not in dispute.

(d) “Commissioner” means the Insurance Commissioner of this state.

(e) “Insurer” or “insurance company” means any insurance company licensed by the Commissioner to write automobile liability insurance or automobile physical damage insurance.

(f) “Loss of Use” means the amount representing the reasonable value to the claimant for the deprivation of the use of the claimant’s vehicle during the period reasonably required to make repairs or replace the vehicle, regardless of whether the claimant has incurred expenses.

(g) “Private passenger motor vehicle” [means motor vehicles as defined] has the same meaning as provided in subsection [(g)] (e) of Section 38a-363 of the General Statutes.

(h) “Storage” means the holding of a vehicle at a place designated under Section 14-66 of the

General Statutes for a specific rate which has been filed with the Commissioner of Motor Vehicles.

Sec. 4. Sections 38a-288-1 and 38a-288-2 of the Regulations of Connecticut State Agencies are amended to read as follows:

**Sec. 38a-288-1. Application of regulations**

The following regulations shall govern the issuance of insurance on motor vehicles sold under [instalment] installment or deferred payment contracts or motor vehicles pledged as security for a loan.

**Sec. 38a-288-2. Description of insurance to purchaser or borrower**

There shall be a complete disclosure of insurance obtained by a dealer, finance factor or lender from an insurance company or an authorized agent thereof, which shall be made in all cases to the ultimate purchaser of such insurance, as follows:

(a) In no instance shall the insurance company issue a policy or policies unless a statement setting forth a clear and concise description of the insurance coverage has been furnished to the purchaser or borrower at the time of the sale or loan transaction. The policy or policies, when issued and, within the time limit prescribed by [section 42-86 of the general statutes (fifteen days)] section 36a-773 of the Connecticut General Statutes after execution of a retail [instalment] installment sale contract, shall be sent to the purchaser or borrower and shall indicate clearly the amount of the premium, the kind or kinds of insurance and the scope of the coverage and shall contain all of the terms, exceptions, restrictions and conditions of the contract or contracts of insurance.

(b) Policies not containing public liability or property damage coverage shall be clearly stamped or printed to the effect that such coverage is not included in the policy.

Sec. 5. Section 38a-327-3 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 38a-327-3. Minimum standards**

No claims-made policy shall be delivered, issued for delivery, or renewed in this state by a licensed insurer on or after the effective date of this regulation, unless such policy and the issuing insurer complies with the following minimum standards:

(a) Once a retroactive date is established with an insured, it may be advanced only with the written consent of the named insured. Prior to the advancement of the retroactive date by an insurance company, such insurer must obtain the written acknowledgment of the named insured that the named insured has been advised of the right to purchase the additional extended reporting period coverage. If no retroactive date is specified in the policy, coverage is afforded for injury or damage occurring prior to the inception date of the policy.

(b) Each claims-made policy shall provide an automatic extended reporting period of at least thirty (30) days upon termination of coverage.

(c) A claim will be deemed “first made” when the insurer receives written notice of a claim from the insured or a third party, but this shall not preclude an insurer from utilizing either written notice of incident as the trigger of coverage under the policy.

(d) (1) Additional extended reporting period coverage shall be made available for purchase by the named insured at any time during the policy term and not later than thirty (30) days following

termination of coverage, including termination for non-payment of premium. Such additional extended reporting period coverage shall apply only in regard to that coverage terminated, and shall be made available on the same terms and conditions as those specified in the policy.

(2) Where premium is due to the insurer for coverage under the claims-made policy, any monies received by the insurer from the insured as payment for the additional extended reporting period coverage shall be first applied to such premium owing for the policy. The additional extended reporting period coverage will not take effect until the premium owing for the policy is paid in full and unless the premium owing for the additional extended reporting period coverage is paid promptly when due.

(3) The insurer must advise the named insured in writing of the automatic extended reporting period coverage and the availability of, the premium for, and the importance of purchasing additional extended reporting period coverage. This advice must be sent no earlier than the date of notification of termination of coverage nor later than fifteen (15) days after termination of coverage.

(4) The named insured shall have the greater of thirty (30) days from the effective date of termination of coverage, or fifteen (15) days from the date of mailing or delivery of the advice required by subdivision (3) of this subsection, to submit written acceptance of additional extended reporting period coverage.

(5) The premium charged for additional extended reporting period coverage shall be based upon the rates for such coverage in effect on the later of the date the policy was issued or last renewed, and the insurer shall not charge a different premium for such coverage due to any change in its rates, rating plans or rating rules subsequent to issuance or last renewal of the policy.

(6) Upon termination of a claims-made policy each insurer shall offer additional extended reporting period coverage for at least the following specified durations:

(A) unlimited extended reporting period coverage for professional liability insurance policies;

(B) a minimum one year period for policies covering (i) directors and officers liability, employee benefits liability and fiduciary liability, and (ii) pollution and environmental impairment liability; or

(C) a minimum three year period for all other claims-made policies.

(e) Notwithstanding subsection (d) of this section, unlimited additional extended reporting period coverage shall be provided without additional cost to the insured if, while covered by a medical malpractice policy, the insured:

(1) dies;

(2) becomes permanently disabled and is unable to carry out his or her practice; or

(3) retires permanently from practice:

(A) at or over age sixty-five and has been insured with the same insurer on a claims-made basis for a period of at least five consecutive immediately preceding years; or

(B) at or over sixty-two years of age and has been insured with the same insurer on a claims-made basis for a period of at least ten consecutive immediately preceding years.

(f) (1) Where a policy has no aggregate liability limit the insurer shall offer additional extended reporting period coverage without an aggregate liability limit.

(2) Where a policy contains an aggregate liability limit, the insurer shall offer additional extended reporting period coverage with an aggregate liability limit at least equal to the aggregate liability limit specified in such policy.

(g) The minimum standards may be waived if application is made to the Commissioner and [he] the Commissioner determines that it would improve availability of coverage and not be detrimental to policyholders.

Sec. 6. Section 38a-799-1 of the Regulations of Connecticut State Agencies is amended to read as

follows:

**Sec. 38a-799-1. Definitions**

As used in sections 38a-799-1 through 38a-799-9, inclusive, of the Regulations of Connecticut State Agencies:

- (1) “Applicant” means a rental company seeking a permit from the commissioner to sell insurance in conjunction with the rental of vehicles;
- (2) “Commissioner” means the Insurance Commissioner of the State of Connecticut;
- (3) “Calendar quarter” means a three month period beginning on January 1, April 1, July 1 and October 1 of each year;[.]
- (4) “Department” means the Connecticut Insurance Department [of the State of Connecticut];
- (5) “Permit” means a certificate of authority granted to a rental company by the commissioner authorizing such rental company to offer certain kinds of insurance in conjunction with the rental of vehicles;
- (6) “Permittee” means a rental company authorized, pursuant to sections 38a-799-1 through 38a-799-9, inclusive, of the Regulations of Connecticut State Agencies, to sell the categories of insurance enumerated in subsection (b) of section [1 of Public Act 99-127] 38a-799 of the Connecticut General Statutes in connection with the rental of vehicles;
- (7) “Rental agreement” means rental agreement as defined by section [1 of Public Act 99-127] 38a-799 of the Connecticut General Statutes;
- (8) “Rental company” means rental company as defined by section [1 of Public Act 99-127] 38a-799 of the Connecticut General Statutes;
- (9) “Renter” means renter as defined by section [1 of Public Act 99-127] 38a-799 of the Connecticut General Statutes; and
- (10) “Vehicle” means vehicle as defined by section [1 of Public Act 99-127] 38a-799 of the Connecticut General Statutes. [;]



R-39 Rev. 02/2012

**Statement of Purpose**

Pursuant to CGS Section 4-170(b)(3), “Each proposed regulation shall have a statement of its purpose following the final section of the regulation.” Enter the statement here.

The purpose of Sections 1 and 2 of this amendment is to correct the statutory authority under which these Regulations are promulgated and to change the public adjuster contract to conform to the changed requirements of C.G.S. sec. 38a-724 affected by P.A. 13-138. The purpose of Sections 3 through 7 is to make technical corrections to the pertinent Property & Casualty regulation.

A. The problems, issues or circumstances that the regulation proposes to address.

Correct the statutory authority under which the public adjuster regulations are promulgated and make technical corrections to P&C regulations. As it concerns Section 2, on June 22, 1995 the regulations concerning public adjuster were transferred from the authority of C.G.S. sec. 38a-769 to the authority of C.G.S. sec. 38a-788. Section 38a-788-1 of these regulations is amended to reflect such change. In addition, P.A. 13-138 amended C.G.S. sec. 38a-724 to (1) replace the previous cancellation provision of two days for public adjuster contracts with a cancellation provision of four days; and (2) to provide that contract entered into on Friday, Saturday or Sunday could be cancelled by the Thursday immediately following. In addition, P.A. 18-158 added a provision that notice of cancellation can be provided by electronic means. If agreed upon by all parties. Section 2 of this proposed amendment changes the affected regulation to comply with the new statutory requirements relating to cancellation.

B. Summary of the main provisions of the regulation.

The amendment provides that (1) the regulations are promulgated pursuant to the statutory authority of C.G.S. sec. 38a-788; (2) that clients of the public adjuster have the right to cancel the contract, by providing proper notice to the adjuster, within four days after the contract has been signed, except that contracts signed on Friday, Saturday and Sunday can be cancelled by notice provided by midnight of the next succeeding Thursday; and (3) makes technical changes to affected P&C regulations.

C. The legal effect of the regulation, including all ways that the regulation would change existing regulations or other laws.

The amendment will have no effect on other laws or regulations.

**IMPORTANT NOTICE FOR CONNECTICUT STATE AGENCIES**

This form is to be used for proposed permanent and technical amendment regulations only and must be completed in full.

**AGENCY CERTIFICATION****INSURANCE DEPARTMENT**

Proposed Regulation Concerning

**Technical Correction to Certain Insurance Regulations**

eRegulations System Tracking Number TA2019-026

**I hereby certify the following:**

(1) The above-referenced **technical amendment regulation** is proposed pursuant to the following statutory authority or authorities: **CGS Sections 38a-788, 38a-10, 38a-288, 38a-327 and 38a-799**

*For technical amendment regulations proposed without a comment period, complete #2 below, then skip to #8.*

(2) As permitted by Section 4-168(h) of the *Connecticut General Statutes*, the agency elected to proceed without prior notice or hearing and posted the text of the proposed technical amendment regulation on eRegulations System website on **12/04/2019**.

*For all other non-emergency proposed regulations, complete #3 - #7 below, then complete #8)*

(3) The agency posted notice of intent with a specified comment period of not less than 30 days to the eRegulations System website on <<**select and enter the date of posting**>>.

(4) *(Complete one)*  No public hearing held or was required to be held. **OR**  One or more public hearings were held on: <<**select and enter dates**>>.

(5) The agency posted notice of decision to move forward with the proposed regulation to the eRegulations System website on <<**select and enter the date of posting**>>.

(6) *(Complete one)*  No comments were received. **OR**  Comments were received and the agency posted the statements specified in subdivisions (1) and (2) of CGS Section 4-168(e) to the eRegulations System website on <<**select and enter date**>>.

(7) The final wording of the proposed regulation was posted to the eRegulations System website on <<**select and enter date**>>.

(8) Subsequent to approval for legal sufficiency by the Attorney General and approval by the Legislative Regulation Review Committee, **the final regulation shall be effective**

*(Check one and complete as applicable)*

When posted to the eRegulations System website by the Secretary of the State.

**OR**  On \_\_\_\_\_

*(Date must be a specific calendar date not less than 11 days after submission to the Secretary of the State)*

SIGNED

*(Head of Board, Agency or Commission,  
or duly authorized deputy)*

Insurance Commissioner  
OFFICIAL TITLE

02/28/2020  
DATE

**OFFICE OF THE ATTORNEY GENERAL  
REGULATION CERTIFICATION**

**Agency** Connecticut Insurance Department

**REGULATION NUMBER** TA2019-026

**This Regulation is hereby APPROVED by the Attorney General as to legal sufficiency in accordance with Connecticut General Statutes Section 4-169.**

**DATE:**

**Signed:**

  
*Joseph Rubin, Assistant Deputy Attorney General  
Duly Authorized*

# The Connecticut General Assembly

## Legislative Regulation Review Committee

Senator Craig Miner  
Senate Chair



Representative Susan Johnson  
House Chair

### Official Record of Committee Action

May 12, 2020

Agency: Insurance Department  
Description: Technical Changes to Certain Insurance Regulations  
LRRC Regulation Number: 2019-028A  
eRegulation Tracking Number: TA2019-026

The above-referenced regulation has been

### **Deemed Approved pursuant to CGS Section 4-170(c)**

by the Legislative Regulation Review Committee in accordance  
with CGS Section 4-170.

Kirstin L. Breiner  
Committee Administrator



State of Connecticut  
Office of the Secretary of the State

## Confirmation of Electronic Submission

Re: Regulation of the Insurance Department concerning Technical Changes to  
Certain Insurance Regulations  
eRegulations System Tracking Number TA2019-026  
Legislative Regulation Review Committee Docket Number 2019-028A

The above-referenced regulation was electronically submitted to the Office of the Secretary of the State in accordance with Connecticut General Statutes Section 4-172 on May 28, 2020.

Said regulation is assigned Secretary of the State File Number 6318.

The effective date of this regulation is June 3, 2020.

A handwritten signature in black ink that reads "Denise W. Merrill".

Denise W. Merrill  
Secretary of the State  
June 3, 2020

By:

/s/ Kristin M. Karr

Kristin M. Karr  
Administrative Law  
Information Systems Manager