



Substitute House Bill No. 6621

Public Act No. 23-65

AN ACT CONCERNING THE RENEWAL OF SURPLUS LINES INSURANCE POLICIES.

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

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 Subsection (b) of section 38a-741 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(b) (1) When any policy of insurance is procured or renewed under the authority of such license providing a line of insurance or its component that does not, on the effective date of coverage, appear on the current published list, both the licensee and the insured shall [write signed statements setting forth facts showing that such licensee and such insured were unable after] first make a diligent effort, as defined by the commissioner, to procure, from any authorized insurer or insurers, the full amount of insurance required to protect the interest of such insured, and further showing (A) that the amount of insurance procured from an unauthorized insurer or insurers is only the excess over the amount so procurable from authorized insurers, (B) the type of policy, and (C) if such policy is for real property, the location of such property. Such licensee shall [file such signed statements in electronic format with the commissioner on February fifteenth, May fifteenth, August fifteenth and November fifteenth of each year] keep, in a form

Substitute House Bill No. 6621

approved by the commissioner, and make available for examination by the commissioner upon request, all (i) documentation concerning such licensee's and insured's diligent effort to procure, from any authorized insurer or insurers, the full amount of insurance required to protect the interest of such insured, and (ii) information concerning each policy placed in the surplus lines market.

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