



General Assembly

Substitute Bill No. 6858

January Session, 2023



AN ACT ESTABLISHING A TASK FORCE TO STUDY METHODS TO ENCOURAGE INSURERS TO DEVELOP TECHNOLOGIES TO PREVENT TEXTING WHILE DRIVING, CONCERNING FINANCIAL PLANNERS AND CONCERNING PROHIBITING LOSS OF USE DAMAGES FOR RENTAL CAR COMPANIES.

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

- 1 Section 1. (*Effective from passage*) (a) There is established a task force
2 to study methods to encourage insurers to develop technologies to
3 prevent texting while driving.
- 4 (b) The task force shall consist of the following members:
- 5 (1) Two appointed by the speaker of the House of Representatives;
- 6 (2) Two appointed by the president pro tempore of the Senate;
- 7 (3) One appointed by the majority leader of the House of
8 Representatives;
- 9 (4) One appointed by the majority leader of the Senate;
- 10 (5) One appointed by the minority leader of the House of
11 Representatives; and
- 12 (6) One appointed by the minority leader of the Senate.

13 (c) Any member of the task force appointed under subdivision (1),
14 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
15 of the General Assembly.

16 (d) All initial appointments to the task force shall be made not later
17 than thirty days after the effective date of this section. Any vacancy
18 shall be filled by the appointing authority.

19 (e) The speaker of the House of Representatives and the president
20 pro tempore of the Senate shall select the chairpersons of the task force
21 from among the members of the task force. Such chairpersons shall
22 schedule the first meeting of the task force, which shall be held not
23 later than sixty days after the effective date of this section.

24 (f) The administrative staff of the joint standing committee of the
25 General Assembly having cognizance of matters relating to insurance
26 shall serve as administrative staff of the task force.

27 (g) Not later than February 1, 2024, the task force shall submit a
28 report on its findings and recommendations to the joint standing
29 committee of the General Assembly having cognizance of matters
30 relating to insurance, in accordance with the provisions of section 11-
31 4a of the general statutes. The task force shall terminate on the date
32 that it submits such report or February 1, 2024, whichever is later.

33 Sec. 2. Section 38a-1 of the general statutes is repealed and the
34 following is substituted in lieu thereof (*Effective October 1, 2023*):

35 Terms used in this title and section 3 of this act, unless it appears
36 from the context to the contrary, shall have a scope and meaning as set
37 forth in this section.

38 (1) "Affiliate" or "affiliated" means a person that directly, or
39 indirectly through one or more intermediaries, controls, is controlled
40 by or is under common control with another person.

41 (2) "Alien insurer" means any insurer that has been chartered by or
42 organized or constituted within or under the laws of any jurisdiction

43 or country without the United States.

44 (3) "Annuities" means all agreements to make periodical payments
45 where the making or continuance of all or some of the series of the
46 payments, or the amount of the payment, is dependent upon the
47 continuance of human life or is for a specified term of years. This
48 definition does not apply to payments made under a policy of life
49 insurance.

50 (4) "Commissioner" means the Insurance Commissioner.

51 (5) "Control", "controlled by" or "under common control with"
52 means the possession, direct or indirect, of the power to direct or cause
53 the direction of the management and policies of a person, whether
54 through the ownership of voting securities, by contract other than a
55 commercial contract for goods or nonmanagement services, or
56 otherwise, unless the power is the result of an official position with the
57 person.

58 (6) "Domestic insurer" means any insurer that has been chartered
59 by, incorporated, organized or constituted within or under the laws of
60 this state.

61 (7) "Domestic surplus lines insurer" means any domestic insurer
62 that has been authorized by the commissioner to write surplus lines
63 insurance.

64 (8) "Foreign country" means any jurisdiction not in any state, district
65 or territory of the United States.

66 (9) "Foreign insurer" means any insurer that has been chartered by
67 or organized or constituted within or under the laws of another state
68 or a territory of the United States.

69 (10) "Insolvency" or "insolvent" means, for any insurer, that it is
70 unable to pay its obligations when they are due, or when its admitted
71 assets do not exceed its liabilities plus the greater of: (A) Capital and
72 surplus required by law for its organization and continued operation;

73 or (B) the total par or stated value of its authorized and issued capital
74 stock. For purposes of this subdivision "liabilities" shall include but not
75 be limited to reserves required by statute or by regulations adopted by
76 the commissioner in accordance with the provisions of chapter 54 or
77 specific requirements imposed by the commissioner upon a subject
78 company at the time of admission or subsequent thereto.

79 (11) "Insurance" means any agreement to pay a sum of money,
80 provide services or any other thing of value on the happening of a
81 particular event or contingency or to provide indemnity for loss in
82 respect to a specified subject by specified perils in return for a
83 consideration. In any contract of insurance, an insured shall have an
84 interest which is subject to a risk of loss through destruction or
85 impairment of that interest, which risk is assumed by the insurer and
86 such assumption shall be part of a general scheme to distribute losses
87 among a large group of persons bearing similar risks in return for a
88 ratable contribution or other consideration.

89 (12) "Insurer" or "insurance company" includes any person or
90 combination of persons doing any kind or form of insurance business
91 other than a fraternal benefit society, and shall include a receiver of
92 any insurer when the context reasonably permits.

93 (13) "Insured" means a person to whom or for whose benefit an
94 insurer makes a promise in an insurance policy. The term includes
95 policyholders, subscribers, members and beneficiaries. This definition
96 applies only to the provisions of this title and does not define the
97 meaning of this word as used in insurance policies or certificates.

98 (14) "Life insurance" means insurance on human lives and
99 insurances pertaining to or connected with human life. The business of
100 life insurance includes granting endowment benefits, granting
101 additional benefits in the event of death by accident or accidental
102 means, granting additional benefits in the event of the total and
103 permanent disability of the insured, and providing optional methods
104 of settlement of proceeds. Life insurance includes burial contracts to

105 the extent provided by section 38a-464.

106 (15) "Mutual insurer" means any insurer without capital stock, the
107 managing directors or officers of which are elected by its members.

108 (16) "Person" means an individual, a corporation, a partnership, a
109 limited liability company, an association, a joint stock company, a
110 business trust, an unincorporated organization or other legal entity.

111 (17) "Policy" means any document, including attached
112 endorsements and riders, purporting to be an enforceable contract,
113 which memorializes in writing some or all of the terms of an insurance
114 contract.

115 (18) "State" means any state, district, or territory of the United States.

116 (19) "Subsidiary" of a specified person means an affiliate controlled
117 by the person directly, or indirectly through one or more
118 intermediaries.

119 (20) "Unauthorized insurer" or "nonadmitted insurer" means an
120 insurer that has not been granted a certificate of authority by the
121 commissioner to transact the business of insurance in this state or an
122 insurer transacting business not authorized by a valid certificate.

123 (21) "United States" means the United States of America, its
124 territories and possessions, the Commonwealth of Puerto Rico and the
125 District of Columbia.

126 Sec. 3. (NEW) (*Effective October 1, 2023*) (a) For the purposes of this
127 section:

128 (1) "Fiduciary duty" has the same meaning as provided in section
129 36a-860 of the general statutes; and

130 (2) "Financial planner" has the same meaning as provided in section
131 36a-860 of the general statutes.

132 (b) Any financial planner doing business in this state shall disclose

133 to a consumer in this state, upon request, whether or not such financial
134 planner has a fiduciary duty to such consumer for each
135 recommendation that such financial planner makes to such consumer
136 regarding insurance.

137 (c) Any violation of this section shall be deemed an unfair method
138 of competition and unfair and deceptive act or practice in the business
139 of insurance under section 38a-816 of the general statutes, as amended
140 by this act.

141 Sec. 4. Section 38a-816 of the general statutes is amended by adding
142 subdivision (27) as follows (*Effective October 1, 2023*):

143 (NEW) (27) Any violation of section 3 of this act.

144 Sec. 5. Section 38a-799 of the general statutes is repealed and the
145 following is substituted in lieu thereof (*Effective October 1, 2023, and*
146 *applicable to rental agreements entered into on or after said date*):

147 (a) As used in this section and section 6 of this act:

148 (1) "Commissioner" means the Insurance Commissioner;

149 (2) "Loss of use" means the unavailability of the use of a vehicle by a
150 renter due to damage or loss of such vehicle during a period
151 reasonably required for a rental company to make repairs or replace
152 such vehicle;

153 [(2)] (3) "Rental agreement" means a written agreement setting forth
154 the terms and conditions governing the use of a vehicle provided by
155 the rental company for rental;

156 [(3)] (4) "Rental company" means a person in the business of offering
157 vehicles to the public that is licensed pursuant to section 14-15;

158 [(4)] (5) "Renter" means a person obtaining the use of a vehicle from
159 a rental company under the terms of a rental agreement;

160 [(5)] (6) "Vehicle" means a private passenger motor vehicle,

161 including, but not limited to, passenger vans, minivans, sport utility
162 and pickup trucks or a cargo type of motor vehicle, including, but not
163 limited to, cargo vans and trucks with a gross vehicle weight up to and
164 including twenty-six thousand pounds which do not require the
165 operator to possess a commercial [driver's] driver's license.

166 (b) The commissioner shall adopt regulations, in accordance with
167 the provisions of chapter 54, to issue a permit to rental companies
168 transacting business in this state under the terms of a rental agreement
169 to offer coverage for sale in connection with the rental of a vehicle,
170 whether at a rental office or by preselection of coverage in a master
171 rental agreement, in any of the following categories:

172 (1) Personal accident insurance covering the risks of travel,
173 including accident and health insurance, that provides coverage to
174 renters and other rental vehicle occupants for accidental death or
175 dismemberment and reimbursement for medical expenses resulting
176 from an accident that occurs during the rental period;

177 (2) [Liability] Except as provided in subsection (d) of this section,
178 liability insurance, including uninsured and underinsured motorist
179 coverage whether offered separately or in combination with other
180 liability insurance, that provides coverage to renters and other
181 authorized drivers of rental vehicles for liability arising from the
182 operation of the rental vehicle;

183 (3) Personal effects insurance that provides coverage to renters and
184 other vehicle occupants for the loss of, or damage to, personal effects
185 that occurs during the rental period;

186 (4) Roadside assistance and emergency sickness protection
187 programs.

188 (c) The regulations shall require:

189 (1) That the rental period shall not exceed sixty consecutive days;
190 and

191 (2) That at each rental location where rental agreements are
192 executed, brochures or other written materials, in plain language
193 consistent with the provisions of chapter 699a, are available to the
194 prospective renter that:

195 (A) Summarize clearly and correctly the terms of the insurance
196 coverage;

197 (B) Disclose that the insurance policies offered by the rental
198 company may duplicate coverage already provided by a renter's
199 personal insurance policies;

200 (C) State that the insurance policies being offered are optional; and

201 (D) Describe the process for filing a claim.

202 (d) No rental company holding a permit under this section shall
203 offer liability insurance that provides coverage for the loss of use of a
204 rental motor vehicle incurred by such rental company.

205 ~~[(d)]~~ (e) Each rental company granted a permit under this section
206 shall conduct a training program in which employees being trained
207 receive basic instruction about the types of coverage specified in this
208 section and offered for purchase by prospective renters of rental
209 vehicles. Each company shall retain on file a list of employees who
210 have received such training and are authorized to offer coverage for
211 sale under the permit issued under this section and shall make such
212 list available to the commissioner upon request of the commissioner.

213 ~~[(e)]~~ (f) The commissioner may at any time require such information
214 as the commissioner deems necessary with respect to the business
215 methods and transactions of a rental company granted a permit under
216 this section. Such company shall furnish the commissioner, in such
217 form as the commissioner may require, any such information not later
218 than fifteen days after receiving a written request therefor.

219 ~~[(f)]~~ (g) Nothing in this section shall prevent a rental company from
220 including the sale of insurance products in an overall employee

221 performance compensation incentive program provided such rental
222 company personnel may not be directly paid a commission or any
223 other compensation by an insurance company for the sale of coverage
224 to renters.

225 ~~[(g)]~~ (h) No rental company holding a permit under this section may
226 advertise, represent or otherwise hold itself or any of its employees out
227 as licensed insurers, insurance agents, insurance producers or
228 insurance brokers.

229 ~~[(h)]~~ (i) Any permit issued by the commissioner shall be in force
230 until the first day of February in each even-numbered year unless
231 sooner revoked or suspended. The permit may, in the discretion of the
232 commissioner, be renewed biennially upon payment of the fee
233 specified in section 38a-11.

234 ~~[(i)]~~ (j) The commissioner, after reasonable notice to and hearing of
235 any holder of a permit issued pursuant to this section, may suspend or
236 revoke the permit for cause shown. In addition to or in lieu of
237 suspension or revocation, the commissioner may impose a fine not to
238 exceed one thousand dollars. Hearings may be held by the
239 commissioner or by any person designated by the commissioner.
240 Whenever a person other than the commissioner acts as the hearing
241 officer, said person shall submit to the commissioner a memorandum
242 of findings and recommendations upon which the commissioner may
243 base a decision.

244 ~~[(j)]~~ (k) Any person aggrieved by the action of the commissioner in
245 revoking, suspending or refusing to grant or reissue a permit or in
246 imposing a fine may appeal therefrom, in accordance with the
247 provisions of section 4-183, except venue for such appeal shall be in the
248 judicial district of Hartford. Appeals under this section shall be
249 privileged in respect to the order of trial assignment.

250 Sec. 6. (NEW) (*Effective October 1, 2023, and applicable to causes of*
251 *action accruing on or after said date*) (a) No cause of action or liability
252 shall arise against any renter or additional driver of any rental vehicle

253 identified in a rental agreement or against the insurer of such renter or
254 additional driver of such rental vehicle for (1) any loss of use of such
255 rental motor vehicle, or (2) administrative fees related to such loss of
256 use assessed by such rental company.

257 (b) This section shall be construed to abrogate the common law of
258 loss of use to the extent applicable to rental companies.

259 (c) Any term in a rental agreement entered into on or after October
260 1, 2023, that is contrary to the provisions set forth in subsection (a) of
261 this section shall be null and void.

262 Sec. 7. Section 14-15b of the general statutes is repealed and the
263 following is substituted in lieu thereof (*Effective October 1, 2023, and*
264 *applicable to contracts entered into on or after said date*):

265 (a) For purposes of this section:

266 (1) "Collision damage waiver" means any contractual provision
267 whereby a lessor of rental motor vehicles agrees for a charge to waive
268 any claims against a lessee for any damages to a rental motor vehicle
269 during the term of the rental agreement; [.]

270 (2) "Loss of use" means the unavailability of the use of a rental
271 motor vehicle due to damage or loss of such rental motor vehicle
272 during the period reasonably required for a rental company to make
273 repairs or replace such vehicle; and

274 [(b)] (3) "Rental motor vehicle" means a private passenger motor
275 vehicle as defined in subsection (e) of section 38a-363, which is not the
276 subject of a lease with the option to purchase where the lessee has the
277 right to possession.

278 [(c)] (b) Any motor vehicle rental contract incorporating a provision
279 for collision damage waiver shall comply with chapter 742 and shall
280 provide conspicuous notice that the lessee's personal automobile
281 insurance policy may cover collision damage, fire and theft damage
282 and personal injury incurred while using a rental motor vehicle, and of

283 the annualized rate for the collision damage waiver and any liability
 284 provisions. Any such contract shall detail the full extent of its
 285 coverage.

286 [(d)] (c) No person, firm or corporation leasing or renting to another
 287 any motor vehicle shall: Make any false or misleading statements
 288 either orally or in writing, in connection with the sale, offer to sell, or
 289 advertisement of a collision damage waiver; omit any material
 290 statement in connection with the sale, offer to sell or advertisement of
 291 such waiver; or make any statement that the purchase of a collision
 292 damage waiver is mandatory.

293 [(e)] (d) A violation of any of the provisions of this section shall be
 294 deemed an unfair deceptive trade practice under chapter 735a.

295 (e) No motor vehicle rental contract shall contain a collision damage
 296 waiver or any contractual provision whereby the lessor of such rental
 297 motor vehicle agrees, for a charge, to waive any claims against the
 298 lessee for any damages incurred by such lessor for the loss of use of
 299 such rental motor vehicle.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2023</i>	38a-1
Sec. 3	<i>October 1, 2023</i>	New section
Sec. 4	<i>October 1, 2023</i>	38a-816(27)
Sec. 5	<i>October 1, 2023, and applicable to rental agreements entered into on or after said date</i>	38a-799
Sec. 6	<i>October 1, 2023, and applicable to causes of action accruing on or after said date</i>	New section

Sec. 7	<i>October 1, 2023, and applicable to contracts entered into on or after said date</i>	14-15b
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INS *Joint Favorable Subst.*