



House of Representatives

General Assembly

File No. 92

January Session, 2025

Substitute House Bill No. 6967

House of Representatives, March 13, 2025

The Committee on Insurance and Real Estate reported through REP. WOOD of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE ASSIGNMENT OF POST-LOSS HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE BENEFITS AND REVISING DISCLOSURE REQUIREMENTS FOR HOME IMPROVEMENT CONTRACTORS AND SALESPERSONS.

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

1 Section 1. (NEW) (*Effective January 1, 2026*) (a) As used in this section:

2 (1) "Assignee" means any person who is assigned any post-loss
3 benefit under a homeowners insurance policy or commercial property
4 insurance policy through an assignment agreement;

5 (2) "Assignment agreement" means any instrument that assigns,
6 transfers or acquires, in whole or in part, any post-loss benefit under a
7 homeowners insurance policy or commercial property insurance policy
8 providing coverage for a residential or commercial property, to or from
9 any person commencing any repair, inspection, remediation or
10 mitigation following a loss on such residential or commercial property;

11 (3) "Assignor" means any person who assigns, transfers or acquires

12 any post-loss benefit under a homeowners insurance policy or
13 commercial property insurance policy to an assignee through an
14 assignment agreement;

15 (4) "Home improvement" has the same meaning as provided in
16 section 20-419 of the general statutes, as amended by this act;

17 (5) "Presuit settlement demand" means any monetary request
18 submitted by an assignee in a written notice of intent to initiate litigation
19 pursuant to subsection (g) of this section; and

20 (6) "Presuit settlement offer" means any monetary proposal,
21 submitted by the insurance company providing homeowners or
22 commercial property insurance coverage for the residential or
23 commercial property, to settle a dispute with an assignee prior to such
24 assignee filing a cause of action against such insurance company.

25 (b) (1) Any assignment agreement that assigns, transfers or acquires
26 any post-loss benefit under a homeowners insurance policy or
27 commercial property insurance policy delivered, issued for delivery,
28 renewed, amended or continued in this state on or after January 1, 2026,
29 shall:

30 (A) Be in writing and executed by the assignor and assignee of such
31 assignment agreement;

32 (B) Include a provision affording such assignor the right to rescind
33 such assignment agreement, without penalty, by submitting a signed
34 notice of rescission to such assignee (i) not later than fourteen days after
35 the execution of such assignment agreement, (ii) at least thirty days after
36 the date on which post-loss repair, inspection, remediation or mitigation
37 services are scheduled to commence on the residential or commercial
38 property pursuant to the terms of such assignment agreement, provided
39 such assignee has not substantially performed such post-loss services on
40 the residential or commercial property, in accordance with the terms of
41 such assignment agreement, or (iii) at least thirty days after the
42 execution of such assignment agreement, provided such assignment

43 agreement does not contain a date by which such post-loss repair,
44 inspection, remediation or mitigation services on such residential or
45 commercial property are scheduled to commence and such assignee has
46 not substantially performed such post-loss services on such residential
47 or commercial property, in accordance with the terms of such
48 assignment agreement;

49 (C) (i) Include a provision requiring such assignee to deliver a copy
50 of such executed assignment agreement to the insurance company
51 providing homeowners or commercial property insurance coverage for
52 the residential or commercial property not later than (I) three business
53 days after the date on which such assignment agreement is executed, or
54 (II) the date on which post-loss repair, inspection, remediation or
55 mitigation services are scheduled to commence on such residential or
56 commercial property pursuant to the terms of such assignment
57 agreement, whichever is earlier; and

58 (ii) Deliver a copy of such executed assignment agreement pursuant
59 to the provisions of subparagraph (C)(i) of this subdivision by personal
60 service, overnight mail, return receipt requested, to the address
61 designated in the applicable homeowners or commercial property
62 insurance policy, or by electronic means evidenced by a delivery receipt,
63 to the electronic mail address designated in the homeowners or
64 commercial property insurance policy, as applicable;

65 (D) Include an itemized, per unit cost estimate of the post-loss repair,
66 inspection, remediation or mitigation services to be performed by such
67 assignee on such residential or commercial property;

68 (E) Only relate to the post-loss repair, inspection, remediation or
69 mitigation services that such assignee agreed to perform on such
70 residential or commercial property pursuant to the terms of such
71 assignment agreement;

72 (F) Include the following notice in not less than eighteen-point
73 boldface type:

74 "YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU
75 HAVE UNDER YOUR INSURANCE POLICY TO A THIRD PARTY,
76 WHICH MAY RESULT IN LITIGATION AGAINST YOUR INSURER.
77 PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE
78 SIGNING IT. YOU HAVE THE RIGHT TO CANCEL THIS
79 AGREEMENT WITHOUT PENALTY WITHIN 14 DAYS AFTER THE
80 DATE THIS AGREEMENT IS EXECUTED, AT LEAST 30 DAYS AFTER
81 THE DATE WORK ON THE PROPERTY IS SCHEDULED TO
82 COMMENCE IF THE ASSIGNEE HAS NOT SUBSTANTIALLY
83 PERFORMED, OR AT LEAST 30 DAYS AFTER THE EXECUTION OF
84 THE AGREEMENT IF THE AGREEMENT DOES NOT CONTAIN A
85 COMMENCEMENT DATE AND THE ASSIGNEE HAS NOT BEGUN
86 SUBSTANTIAL WORK ON THE PROPERTY. HOWEVER, YOU ARE
87 OBLIGATED FOR PAYMENT OF ANY CONTRACTED WORK
88 PERFORMED BEFORE THE AGREEMENT IS RESCINDED. THIS
89 AGREEMENT DOES NOT CHANGE YOUR OBLIGATION TO
90 PERFORM THE DUTIES REQUIRED UNDER YOUR HOMEOWNERS
91 OR COMMERCIAL PROPERTY INSURANCE POLICY."; and

92 (G) Include a provision requiring such assignee to indemnify and
93 hold harmless such assignor from any liability, damages, losses or costs,
94 including, but not limited to, attorney's fees, arising from such post-loss
95 repair, inspection, remediation or mitigation services performed by
96 such assignee on the residential or commercial property pursuant to the
97 terms of such assignment agreement.

98 (2) No assignment agreement executed in accordance with the
99 provisions of this subsection shall include (A) a bank check or mortgage
100 processing fee, (B) a penalty or fee for cancellation of such assignment
101 agreement by the assignor, or (C) any administrative fee.

102 (3) If, prior to the execution of an assignment agreement pursuant to
103 the provisions of this section, an assignor acts under an urgent or
104 emergency circumstance to protect such assignor's residential or
105 commercial property from damage, the assignee shall not receive an
106 assignment of post-loss benefits under a homeowners or commercial

107 property insurance policy providing insurance coverage for such
108 residential or commercial property in excess of three thousand dollars
109 or one per cent of the coverage limit under such homeowners or
110 commercial property insurance policy that such policy will cover for
111 losses resulting from damage to the policyholder's residential or
112 building structure, or any structure of the policyholder that is attached
113 to such residential or building structure, whichever is greater. For
114 purposes of this section, "urgent or emergency circumstance" means any
115 situation in which a loss to residential or commercial property, if not
116 addressed immediately, will result in additional damage to such
117 residential or commercial property.

118 (4) Any assignment agreement that fails to comply with the
119 provisions of this subsection shall be void and unenforceable.

120 (c) If any insurance claim arises under an assignment agreement for
121 post-loss repair, inspection, remediation or mitigation services, the
122 assignee of such assignment agreement shall have the burden of
123 proving that the insurance company providing homeowners or
124 commercial property insurance coverage for the residential or
125 commercial property is not prejudiced by such assignee's failure to:

126 (1) Maintain records of all post-loss repair, inspection, remediation or
127 mitigation services provided under such assignment agreement;

128 (2) Cooperate with any internal claims investigation conducted by
129 such insurance company;

130 (3) Provide such insurance company with any documents related to
131 post-loss repair, inspection, remediation or mitigation services provided
132 by such assignee; or

133 (4) Deliver a copy of the executed assignment agreement to such
134 insurance company not later than three business days after the date on
135 which such assignment agreement is executed or the date on which such
136 post-loss repair, inspection, remediation or mitigation services
137 commenced, whichever is earlier.

138 (d) Any assignee of such assignment agreement shall:

139 (1) Provide the assignor of such assignment agreement with current
140 cost estimates concerning the scope of such post-loss repair, inspection,
141 remediation or mitigation services to be performed, as such assignee
142 determines that any such additional repair, inspection, remediation or
143 mitigation services are required;

144 (2) Perform such post-loss repair, inspection, remediation or
145 mitigation services in accordance with the State Building Code adopted
146 pursuant to section 29-252 of the general statutes;

147 (3) Not seek payment from such assignor in an amount that exceeds
148 the deductible under the applicable homeowners or commercial
149 property insurance policy, unless such assignor and assignee executed
150 a separate agreement for the performance of home improvement or
151 other services at such assignor's own expense; and

152 (4) Prior to submitting an insurance claim under the applicable
153 homeowners or commercial property insurance policy, (A) submit to an
154 examination under oath or recorded statement conducted by such
155 homeowners or commercial property insurance company or such
156 insurance company's authorized agent that is (i) reasonably necessary,
157 (ii) based on the scope and complexity of the post-loss repair, inspection,
158 remediation or mitigation services performed on such property, and (iii)
159 limited to the scope and costs of such post-loss repair, inspection,
160 remediation or mitigation services pursuant to the terms of such
161 assignment agreement, and (B) participate in any alternative dispute
162 resolution proceedings pursuant to the terms of the applicable
163 homeowners or commercial property insurance policy.

164 (e) Notwithstanding any provision of title 38a of the general statutes,
165 no assignment agreement executed in accordance with the provisions of
166 this section shall transfer or create any authority to negotiate, adjust or
167 effect the settlement of any portion of any insurance claim to any person
168 or entity not authorized to negotiate, adjust or effect such settlement of
169 such insurance claim or take any action on behalf of any assignor or

170 public adjuster, as defined in section 38a-723 of the general statutes.

171 (f) (1) Notwithstanding any provision of the general statutes and
172 except as provided in subdivision (2) of this subsection, no assignee or
173 subcontractor of such assignee, who executes an assignment agreement
174 in accordance with the provisions of this section, shall (A) file any civil
175 or administrative claim against the assignor of such assignment
176 agreement or any named insured under the applicable homeowners or
177 commercial property insurance policy for payment of any post-loss
178 repair, inspection, remediation or mitigation services performed at the
179 residential or commercial property, (B) collect payment from such
180 assignor of such assignment agreement or any named insured under the
181 applicable homeowners or commercial property insurance policy, (C)
182 claim a lien on the residential or commercial property of such assignor
183 of such assignment agreement or any named insured under the
184 applicable homeowners or commercial property insurance policy, or (D)
185 report such assignor of such assignment agreement or any named
186 insured under the applicable homeowners or commercial property
187 insurance policy to a credit reporting agency for any payment due
188 pursuant to such assignment agreement.

189 (2) Such assignor of such assignment agreement or named insured
190 under the applicable homeowners or commercial property insurance
191 policy shall be responsible for payment of any (A) deductible under the
192 terms of such policy, (B) home improvement or other services
193 performed by the assignee on the residential or commercial property
194 that were approved by such assignor pursuant to subdivision (3) of
195 subsection (d) of this section, or (C) post-loss repair, inspection,
196 remediation or mitigation services performed on the property before
197 such assignor rescinded such assignment agreement pursuant to
198 subparagraph (B) of subdivision (1) of subsection (b) of this section.

199 (g) (1) No assignee of an assignment agreement shall have a cause of
200 action against the homeowners or commercial property insurance
201 company providing coverage for the residential or commercial property
202 for payment of an insurance claim arising from post-loss repair,

203 inspection, remediation or mitigation services performed on the
204 assignor's, or named insured's, residential or commercial property,
205 unless such assignee provides written notice of:

206 (A) Such assignee's intent to bring such cause of action to such named
207 insured under the homeowners or commercial property insurance
208 policy, assignor and insurance company not later than ten business days
209 before filing such cause of action and after such insurance company has
210 made a determination of coverage under such homeowners or
211 commercial property insurance policy; and

212 (B) The claimed damages in dispute, the amount claimed by such
213 assignee and a presuit settlement demand. As a precondition to filing
214 such cause of action, such assignee shall provide such named insured,
215 such assignor and such insurance company with a written invoice or
216 cost estimate of the post-loss repair, inspection, remediation or
217 mitigation services performed or scheduled to be performed by such
218 assignee, including itemized information identifying equipment,
219 materials, the number of hours worked, and, in circumstances where
220 such post-loss repair, inspection, remediation or mitigation services
221 were performed, proof that such services were performed in accordance
222 with accepted industry standards. Such notice requirements pursuant
223 to this subdivision shall be served by (i) certified mail, return receipt
224 requested, to the name and mailing address designated by the insurance
225 company in the homeowners or commercial property insurance policy,
226 and to the name and mailing address designated by such named insured
227 or assignor in the assignment agreement, or (ii) electronic means
228 evidenced by a delivery receipt, to the electronic mail address
229 designated by such insurance company in the homeowners or
230 commercial property insurance policy, and to the electronic mail
231 address designated by such named insured or assignor in such
232 assignment agreement.

233 (2) Not later than ten business days after receiving such notice
234 pursuant to the provisions of subdivision (1) of this subsection, such
235 insurance company shall submit a presuit settlement offer to such

236 assignee or require such assignee to participate in an appraisal process,
237 as provided in chapter 700 of the general statutes, or any other
238 alternative dispute resolution pursuant to the terms of the applicable
239 homeowners or commercial property insurance policy. Such insurance
240 company shall investigate such assignee's claimed damages, in
241 accordance with the provisions of title 38a of the general statutes.

242 (h) The provisions of this section shall not apply to:

243 (1) Any assignment, transfer or conveyance of residential or
244 commercial property granted to a subsequent purchaser of such
245 residential or commercial property who holds an insurable interest in
246 such residential or commercial property following a loss;

247 (2) A power of attorney, as provided in chapter 15c of the general
248 statutes, that grants to a management company, family member,
249 guardian or similarly situated person of a named insured under the
250 applicable homeowners or commercial property insurance policy the
251 authority to act on behalf of such named insured with respect to any
252 homeowners or commercial property insurance claim; or

253 (3) General liability coverage under a homeowners or commercial
254 property insurance policy.

255 (i) (1) Not later than February 1, 2026, and annually thereafter, each
256 homeowners or commercial property insurance company licensed in
257 this state shall submit a report to the Insurance Commissioner, in a form
258 and manner prescribed by the commissioner, that includes data for any
259 such homeowners or commercial property insurance claim paid
260 pursuant to an assignment agreement executed in accordance with the
261 provisions of this section.

262 (2) Not later than March 1, 2026, and annually thereafter, said
263 commissioner shall submit a report, in accordance with the provisions
264 of section 11-4a of the general statutes, to the joint standing committee
265 of the General Assembly having cognizance of matters relating to
266 insurance. Such report shall include an evaluation of the data submitted

267 to the commissioner pursuant to subdivision (1) of this subsection for
268 the immediately preceding calendar year, including an evaluation of
269 claims adjustments, settlement time frames and claims and litigation
270 trends, categorized by claims litigated, claims settled prior to litigation
271 and loss adjustment expenses.

272 (j) The commissioner shall adopt regulations, in accordance with the
273 provisions of chapter 54 of the general statutes, to implement the
274 provisions of this section.

275 Sec. 2. Section 20-419 of the general statutes is repealed and the
276 following is substituted in lieu thereof (*Effective October 1, 2025*):

277 As used in this chapter and section 3 of this act, unless the context
278 otherwise requires:

279 (1) "Business day" has the same meaning as provided in section 42-
280 134a.

281 ~~[(1)]~~ (2) "Business entity" means an association, corporation, limited
282 liability company, limited liability partnership or partnership.

283 ~~[(2)]~~ (3) "Certificate" means a certificate of registration issued under
284 section 20-422.

285 ~~[(3)]~~ (4) "Commissioner" means (A) the Commissioner of Consumer
286 Protection, and (B) any person designated by the commissioner to
287 administer and enforce this chapter.

288 ~~[(4)]~~ (5) (A) "Contractor" means any person who (i) owns and operates
289 a home improvement business, or (ii) undertakes, offers to undertake or
290 agrees to perform any home improvement.

291 (B) "Contractor" does not include a person for whom the total price
292 of all of such person's home improvement contracts with all of such
293 person's customers does not exceed one thousand dollars during any
294 period of twelve consecutive months.

295 ~~[(5)]~~ (6) (A) "Home improvement" includes, but is not limited to, the

296 repair, replacement, remodeling, alteration, conversion, modernization,
297 improvement, rehabilitation or sandblasting of, or addition to, any land
298 or building or that portion thereof which is used or designed to be used
299 as a private residence, dwelling place or residential rental property, or
300 the construction, replacement, installation or improvement of alarm
301 systems not requiring electrical work, as defined in section 20-330,
302 driveways, swimming pools, porches, garages, roofs, siding, insulation,
303 sunrooms, flooring, patios, landscaping, fences, doors and windows,
304 waterproofing, water, fire or storm restoration or mold remediation in
305 connection with such land or building or that portion thereof which is
306 used or designed to be used as a private residence, dwelling place or
307 residential rental property or the removal or replacement of a residential
308 underground heating oil storage tank system, in which the total price
309 for all work agreed upon between the contractor and owner or proposed
310 or offered by the contractor exceeds two hundred dollars.

311 (B) "Home improvement" does not include (i) the construction of a
312 new home, (ii) the sale of goods or materials by a seller who neither
313 arranges to perform nor performs, directly or indirectly, any work or
314 labor in connection with the installation or application of the goods or
315 materials, (iii) the sale of goods or services furnished for commercial or
316 business use or for resale, provided commercial or business use does not
317 include use as residential rental property, (iv) the sale of appliances,
318 such as stoves, refrigerators, freezers, room air conditioners and others,
319 which are designed for and are easily removable from the premises
320 without material alteration thereof, (v) tree or shrub cutting or the
321 grinding of tree stumps, and (vi) any work performed without
322 compensation by the owner on such owner's own private residence or
323 residential rental property.

324 [(6)] (7) "Home improvement contract" means an agreement between
325 a contractor and an owner for the performance of a home improvement.

326 [(7)] (8) "Owner" means a person who owns or resides in a private
327 residence and includes any agent thereof, including, but not limited to,
328 a condominium association. An owner of a private residence shall not

329 be required to reside in such residence to be deemed an owner under
330 this subdivision.

331 [(8)] (9) "Person" means an individual or a business entity.

332 [(9)] (10) "Private residence" means a single family dwelling, a
333 multifamily dwelling consisting of not more than six units, or a unit,
334 common element or limited common element in a condominium, as
335 defined in section 47-68a, or in a common interest community, as
336 defined in section 47-202, or any number of condominium units for
337 which a condominium association acts as an agent for such unit owners.

338 [(10)] (11) "Proprietor" means an individual who (A) has an
339 ownership interest in a business entity that holds or has held a certificate
340 of registration issued under this chapter, and (B) has been found by a
341 court of competent jurisdiction to have violated any provision of this
342 chapter related to the conduct of a business entity holding a certificate
343 or that has held a certificate issued under this chapter within the two
344 years of the effective date of entering into a contract with an owner
345 harmed by the actions of such individual or business entity.

346 [(11)] (12) "Salesman" means any individual who (A) negotiates or
347 offers to negotiate a home improvement contract with an owner, or (B)
348 solicits or otherwise endeavors to procure by any means whatsoever,
349 directly or indirectly, a home improvement contract from an owner on
350 behalf of a contractor.

351 [(12)] (13) "Residential rental property" means a single family
352 dwelling, a multifamily dwelling consisting of not more than six units,
353 or a unit, common element or limited common element in a
354 condominium, as defined in section 47-68a, or in a common interest
355 community, as defined in section 47-202, which is not owner-occupied.

356 [(13)] (14) "Residential underground heating oil storage tank system"
357 means an underground storage tank system used with or without
358 ancillary components in connection with real property composed of
359 four or less residential units.

360 [(14)] (15) "Underground storage tank system" means an
361 underground tank or combination of tanks, with any underground
362 pipes or ancillary equipment or containment systems connected to such
363 tank or tanks, used to contain an accumulation of petroleum, which
364 volume is ten per cent or more beneath the surface of the ground.

365 Sec. 3. (NEW) (*Effective October 1, 2025*) Notwithstanding any
366 provision of chapter 400 of the general statutes, no contractor shall
367 advertise, offer or promise to provide, directly or indirectly, any
368 allowance, compensation, discount, payment, waiver or rebate to an
369 owner for any portion of the owner's insurance deductible as an
370 inducement for such owner to enter into a home improvement contract
371 with such contractor.

372 Sec. 4. Section 20-420 of the general statutes is repealed and the
373 following is substituted in lieu thereof (*Effective October 1, 2025*):

374 (a) (1) No person shall hold such person out to be a contractor or
375 salesperson without first (A) obtaining a certificate of registration from
376 the commissioner as provided in this chapter, except [(1)] (i) that an
377 individual or partner, or officer or director of a corporation registered
378 as a contractor shall not be required to obtain a salesperson's certificate,
379 and [(2)] (ii) as provided in subsections (e) and (f) of this section, and (B)
380 presenting evidence of any insurance coverage required by law.

381 (2) No certificate shall be given to any person who holds such person
382 out to be a contractor that performs radon mitigation unless such
383 contractor provides evidence, satisfactory to the commissioner, that the
384 contractor is certified as a radon mitigator by the National Radon Safety
385 Board or the National Environmental Health Association.

386 (3) No certificate shall be given to any person who holds such person
387 out to be a contractor that performs removal or replacement of any
388 residential underground heating oil storage tank system unless such
389 contractor provides evidence, satisfactory to the commissioner, that the
390 contractor (A) has completed a hazardous material training program
391 approved by the Department of Energy and Environmental Protection,

392 and (B) has presented evidence of liability insurance coverage of one
393 million dollars.

394 (b) No contractor shall employ any salesman to procure business
395 from an owner unless the salesman is registered under this chapter.

396 (c) No individual shall act as a home improvement salesman for an
397 unregistered contractor.

398 (d) On and after July 1, 2008, a home improvement contractor shall
399 not perform gas hearth product work, as defined in subdivision (22) of
400 section 20-330, unless such home improvement contractor holds a
401 limited contractor or journeyman gas hearth installer license pursuant
402 to section 20-334f.

403 (e) A retail establishment, which is a business that operates from a
404 fixed location where goods or services are offered for sale, may apply
405 annually for a certificate of registration as a salesperson on behalf of its
406 employees if it employs or otherwise compensates one or more
407 salespersons whose solicitation, negotiation and completion of sales are
408 conducted entirely at the retail establishment or virtually or by phone.
409 The retail establishment shall (1) apply for such registration on a form
410 prescribed by the commissioner, (2) maintain a list of all salespersons
411 intended to be covered by the retailer's certificate of registration, and (3)
412 pay a fee equal to the amount that would be due if each person were to
413 apply individually for a certificate of registration, including the amount
414 that would be due under the guaranty fund. The list of salespersons
415 covered by the retailer's certificate of registration shall be made
416 available to the department upon request. If any person covered by the
417 retail establishment's salesperson certificate of registration conducts
418 activity covered by the salesperson credential at a place other than the
419 retail establishment or virtually or by phone, such person shall apply for
420 an individual salesperson certificate of registration using the form
421 prescribed by the commissioner for such registrations and shall pay the
422 corresponding application fee.

423 (f) Certificates of registration for salespersons issued to retail

424 establishments shall not be transferable or assignable, except a retail
425 establishment that is a holder of a salesperson certificate may remove an
426 existing or former employee currently listed on the certification of
427 registration and replace such person with a new or existing employee
428 employed as a salesperson. If the retail establishment adds or removes
429 salespeople, there shall be no refund or supplemental payment. The fee
430 shall be based on the number of salespeople at the time of each renewal.

431 (g) A contractor or salesperson shall update, through the
432 department's online licensing system, any application information the
433 contractor or salesperson has provided to the department pursuant to
434 this section, including, but not limited to, any contact information,
435 including, but not limited to, a change in business or trade name,
436 residence address or business address for such contractor or
437 salesperson, insurance information or criminal history for such
438 contractor or salesperson, or, if such contractor is a business entity,
439 criminal histories of the individual owners of such business entity, not
440 later than thirty days after any change in such information.

441 Sec. 5. Subsection (a) of section 20-421 of the general statutes is
442 repealed and the following is substituted in lieu thereof (*Effective October*
443 *1, 2025*):

444 (a) Any person seeking a certificate of registration shall apply to the
445 commissioner online, on a form provided by the commissioner. The
446 application shall include, but need not be limited to:

447 (1) [the] The applicant's name [, residence address, business address,
448 business telephone number and electronic mail address, (2) a] and trade
449 name, if the applicant is a natural person, or business name, if the
450 applicant is not a natural person;

451 (2) The applicant's contact information, if the applicant is a natural
452 person, or business address, if the applicant is not a natural person;

453 (3) The applicant's business telephone number, electronic mail
454 address and Internet web site address;

455 (4) The name, trade name and contact information of each business
456 entity in which any individual owner or member of the applicant holds
457 a financial or equitable interest, provided such business entity offers
458 home improvement services in the state;

459 (5) If the applicant is not a natural person, the name and contact
460 information of each director, officer or principal shareholder of such
461 applicant;

462 (6) A statement, attested to by the applicant, disclosing whether (A)
463 the applicant previously held a certificate of registration and, if the
464 applicant previously held such a certificate, (i) the name by which such
465 applicant held such certificate, and (ii) whether such certificate was
466 suspended or revoked, and (B) any judgment or arbitration award has
467 been entered against the applicant;

468 (7) A statement by the applicant disclosing whether the applicant has
469 been found guilty or convicted as a result of an act which (A) constitutes
470 a felony under the laws of this state or federal law, or (B) was committed
471 in another jurisdiction but, if committed in this state, would constitute a
472 felony under the laws of this state; [(3) proof]

473 (8) Proof that the applicant has obtained (A) general liability
474 insurance coverage in an amount not less than twenty thousand dollars,
475 demonstrated by providing the policy number and business name of the
476 insurance provider, and (B) any other insurance coverage required by
477 law; and [(4) such]

478 (9) Such other information as the commissioner may require.

479 Sec. 6. Subsection (b) of section 20-427 of the general statutes is
480 repealed and the following is substituted in lieu thereof (*Effective October*
481 *1, 2025*):

482 (b) No person shall: (1) Present or attempt to present, as such person's
483 own, the certificate of another, (2) knowingly give false evidence of a
484 material nature to the commissioner for the purpose of procuring a
485 certificate, (3) represent himself or herself falsely as, or impersonate, a

486 registered home improvement contractor or salesman, (4) use or attempt
487 to use a certificate which has expired or which has been suspended or
488 revoked, (5) offer to make or make any home improvement without
489 having a current certificate of registration under this chapter, (6)
490 represent in any manner that such person's registration constitutes an
491 endorsement of the quality of such person's workmanship or of such
492 person's competency by the commissioner, (7) employ or allow any
493 person to act as a salesman on such person's behalf unless such person
494 is registered as a home improvement salesman, [or] (8) fail to refund the
495 amount paid for a home improvement within ten days of a written
496 request mailed or delivered to the contractor's last-known address, if no
497 substantial portion of the contracted work has been performed at the
498 time of the request and more than thirty days has elapsed since the
499 starting date specified in the written contract, or more than thirty days
500 has elapsed since the date of the contract if such contract does not
501 specify a starting date, or (9) engage in the activities of a public adjuster,
502 as defined in section 38a-723, except that such person may (A) explain
503 or discuss a bid for construction or repair of property loss or damage
504 covered under a homeowners insurance policy with an owner of such
505 property or the insurer of such property if such person does so for the
506 usual and customary fees applicable to the work to be performed as
507 stated in the home improvement contract between such person and the
508 owner, or (B) except as provided in subsection (c) of section 20-429a, as
509 amended by this act, recommend to an owner of such property that such
510 owner contact such owner's insurer to determine whether any such bid
511 for construction or repair of property loss or damage is covered under a
512 homeowners insurance policy with such owner of such property.

513 Sec. 7. Section 20-429 of the general statutes is repealed and the
514 following is substituted in lieu thereof (*Effective October 1, 2025*):

515 (a) (1) (A) No home improvement contract shall be valid or
516 enforceable against an owner unless it: (i) Is in writing, (ii) is signed by
517 the owner and the contractor, (iii) contains the entire agreement
518 between the owner and the contractor, (iv) contains the date of the
519 transaction, (v) contains the name and address of the contractor and the

520 contractor's registration number, (vi) contains a notice of the owner's
521 cancellation rights in accordance with the provisions of chapter 740, (vii)
522 contains a starting date and completion date, (viii) is entered into by a
523 registered salesman or registered contractor, and (ix) includes a
524 provision disclosing each corporation, limited liability company,
525 partnership, sole proprietorship or other legal entity, which is or has
526 been a home improvement contractor pursuant to the provisions of this
527 chapter or a new home construction contractor pursuant to the
528 provisions of chapter 399a, in which the owner or owners of the home
529 improvement contractor are or have been a shareholder, member,
530 partner, or owner during the previous five years.

531 (B) (i) Each contract shall provide the owner with a right to cancel
532 such contract and include a statement, in substantially the following
533 form, in not less than ten-point boldface type located immediately above
534 the place provided in such contract for the owner's signature:

535 "You may cancel this contract not later than midnight on the third
536 business day after both you and the contractor signed this contract or
537 you received notice from your insurer denying any part of your claim
538 for the cost of the home improvements to be performed pursuant to this
539 contract, whichever last occurs. Please see the attached notice of
540 cancellation forms for additional information."

541 (ii) Each contract shall contain not fewer than two cancellation forms
542 in substantially the following form and in not less than ten-point
543 boldface type, attached to, and easily detachable from, such contract:

544 "NOTICE OF CANCELLATION

545 You may cancel this contract not later than midnight on the third
546 business day after both you and the contractor sign this contract or you
547 receive notice from your insurer denying any part of your claim for the
548 cost of the home improvements to be performed pursuant to this
549 contract, whichever last occurs. In order to cancel this contract, you
550 must sign, date and deliver, mail or electronically mail this notice to
551 (insert name of contractor) at (insert principal business address and

552 business electronic mail address of contractor) by the end of the three-
 553 day period described in this notice. If you cancel this contract, the
 554 contractor shall return all payments that you have made to the
 555 contractor pursuant to this contract, less the reasonable cost of any and
 556 all home improvements that the contractor performed pursuant to this
 557 contract prior to cancellation, and cancel the contractor's security
 558 interest, if any, in any home improvements performed prior to
 559 cancellation not later than ten business days after the contractor receives
 560 this notice. You should retain a copy of this notice for your records.

561 I HEREBY CANCEL THIS TRANSACTION:

562 Signature

563 (Insert date)"

564 [(B)] (C) Each change in the terms and conditions of a contract shall
 565 be in writing and shall be signed by the owner and contractor, except
 566 that the commissioner may, by regulation, dispense with the necessity
 567 for complying with the requirement that each change in a home
 568 improvement contract shall be in writing and signed by the owner and
 569 contractor.

570 (2) A contract for repair, remediation or mitigation as set forth in
 571 section 38a-313a shall conform to the requirements set forth in
 572 subparagraph (A) of subdivision (1) of this subsection and section 38a-
 573 313a.

574 (b) No home improvement contract shall be valid if it includes any
 575 provision obligating the owner to instruct the home improvement
 576 contractor, by a date determined by such contractor, that periodic home
 577 improvements are not to be performed unless it also includes a
 578 provision requiring the contractor to remind the owner of that
 579 obligation by means of a card or letter mailed to the owner and
 580 postmarked not earlier than twenty days, and not later than ten days,
 581 prior to such date.

582 (c) The contractor shall provide and deliver to the owner, without

583 charge, a completed copy of the home improvement contract at the time
584 such contract is executed.

585 (d) The commissioner may, by regulation, require the inclusion of
586 additional contractual provisions.

587 (e) Each home improvement contract entered into shall be considered
588 a home solicitation sale pursuant to chapter 740 and shall be subject to
589 the requirements of said chapter regardless of the location of the
590 transaction or of the signing of the contract. Each home improvement
591 contract in which the owner agrees to repay the contractor an amount
592 loaned or advanced to the owner by the contractor for the purposes of
593 paying for the goods and services provided in such contract, or which
594 contains a finance charge, (1) shall set forth the information required to
595 be disclosed pursuant to the Truth-in-Lending Act, sections 36a-675 to
596 36a-685, inclusive, (2) shall allow the owner to pay off in advance the
597 full amount due and obtain a partial refund of any unearned finance
598 charge, and (3) may contain a finance charge set at a rate of not more
599 than the rate allowed for loans pursuant to section 37-4. As used in this
600 subsection, "finance charge" means the amount in excess of the cash
601 price for goods and services under the home improvement contract to
602 be paid by the owner for the privilege of paying the contract price in
603 installments over a period of time.

604 (f) Nothing in this section shall preclude a contractor who has
605 complied with subparagraphs (A)(i), (ii), (vi), (vii) and (viii) of
606 subdivision (1) of subsection (a) of this section from the recovery of
607 payment for work performed based on the reasonable value of services
608 which were requested by the owner, provided the court determines that
609 it would be inequitable to deny such recovery.

610 Sec. 8. Section 20-429a of the general statutes is repealed and the
611 following is substituted in lieu thereof (*Effective October 1, 2025*):

612 (a) As used in this section:

613 (1) "Prohibited advertisement" means any written or electronic

614 communication, including, but not limited to, door hangers, business
615 cards, magnets, flyers, pamphlets or electronic mail, delivered by any
616 contractor or salesman to encourage, instruct or induce an owner to
617 contact such contractor, salesman or public adjuster, as defined in
618 section 38a-723, to file an insurance claim for roof damage to such
619 owner's property.

620 (2) "Soliciting" means to make direct contact with any person through
621 mail, telephone, electronic mail, in-person communication or any other
622 means for the purpose of inducing such person to make a transaction.

623 (b) No contractor or salesman shall solicit or otherwise endeavor to
624 procure home improvement work or a home improvement contract
625 from an owner by notifying the owner that a contractor will commence
626 home improvement work unless the owner instructs the contractor not
627 to commence such work by a date determined by the contractor.

628 (c) No contractor or salesman, or any agent or employee of such
629 contractor or salesman shall, directly or indirectly:

630 (1) Solicit any owner through a prohibited advertisement, unless such
631 prohibited advertisement provides, in not less than twelve-point font,
632 that (A) such owner is responsible for payment of any insurance
633 deductible for roof repair costs performed on such owner's property,
634 and (B) intentionally filing an insurance claim containing any false,
635 incomplete or misleading information constitutes insurance fraud
636 punishable as a class D felony pursuant to section 53a-215;

637 (2) Offer any rebate, gift, gift card, cash, coupon, waiver of any
638 insurance deductible or any other item of value to any owner in
639 exchange for (A) allowing such contractor to conduct an inspection of
640 such owner's roof; or (B) such owner, contractor, salesman, or any agent
641 or employee of such contractor submitting an insurance claim for
642 damage to such owner's roof; and

643 (3) Offer, deliver, receive or accept any compensation, inducement or
644 reward for the referral of any home improvement work for which

645 property insurance proceeds are payable. No payment by any owner or
646 insurance company to such contractor for roofing services shall
647 constitute compensation for such referral pursuant to the provisions of
648 this subdivision.

649 (d) Any contract between a contractor and an owner for home
650 improvement services to repair or replace such owner's roof shall
651 include a notice that such contractor is prohibited from engaging in the
652 practices described in subdivision (2) of subsection (c) of this section.

653 (e) Any contractor who violates the provisions of subsection (c) or (d)
654 of this section shall be subject to revocation or suspension pursuant to
655 the provisions of section 20-426.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2026	New section
Sec. 2	October 1, 2025	20-419
Sec. 3	October 1, 2025	New section
Sec. 4	October 1, 2025	20-420
Sec. 5	October 1, 2025	20-421(a)
Sec. 6	October 1, 2025	20-427(b)
Sec. 7	October 1, 2025	20-429
Sec. 8	October 1, 2025	20-429a

Statement of Legislative Commissioners:

In Section 1(b)(3), "commercial insurance policy" was changed to "commercial property insurance policy," for accuracy, and the title was changed.

INS *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the 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 chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes various changes to post-loss benefit assignment agreements and home improvement contracts resulting in no fiscal impact to the state or municipalities.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6967*****AN ACT CONCERNING THE ASSIGNMENT OF POST-LOSS HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE BENEFITS AND REVISING DISCLOSURE REQUIREMENTS FOR HOME IMPROVEMENT CONTRACTORS AND SALESPERSONS.*****SUMMARY**

This bill addresses (1) matters related to post-loss benefit assignment agreements (i.e. one that assigns, transfers, or acquires any post-loss benefit under a residential or commercial property insurance policy) and (2) changes in laws related to home improvement contracts.

Regarding the post-loss benefit assignment provisions, the bill establishes a process for assigning post-loss benefits under policies delivered, issued for delivery, renewed, amended, or continued in the state on or after January 1, 2026. Among other things, the bill:

1. requires post-loss assignment agreements to be executed in writing and shared with the insurance company;
2. establishes rights and prohibitions for the assignor (i.e. person who assigns, transfers, or acquires the benefit) and assignee (i.e. person who is assigned the benefit) and addresses matters related to post-loss claims; and
3. makes agreements that do not meet the bill's requirements void and unenforceable.

It also requires insurers, starting in 2026, to annually submit post-loss-related data to the insurance commissioner, which he must evaluate and report to the Insurance Committee (§ 1).

Regarding the provisions of the bill that affect home improvement

contract-related laws, a section-by-section analysis appears below.

Among other things, the bill does the following:

1. specifies that for the purpose of the Home Improvement Act, “business day” means any calendar day except Sunday or any of the following nine business holidays: New Year’s Day, Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day (§ 2);
2. prohibits a contractor from using any portion of an owner’s insurance policy deductible to induce them to enter into a home improvement contract (§ 3);
3. requires home improvement contractors and salespersons to (a) notify the Department of Consumer Protection (DCP) of any changes in their business name, trade name, or addresses and (b) present evidence of any insurance coverage required by law (§ 4);
4. expands the required content of the DCP application for a home improvement contractor certificate of registration and requires applicants to provide proof that they maintain any insurance coverage required by law (§ 5);
5. restricts home improvement contractors from conducting public adjuster activities, except for certain acts authorized under the bill (§ 6);
6. requires home improvement contracts to include certain provisions, including a right for an owner to cancel a contract (§ 7); and
7. precludes home improvement contractors, salesmen, or their employees from engaging in certain conduct (e.g., prohibited advertising and soliciting regarding roof repair); requires the contractor to disclose in any roof repair or replacement contract what conduct is prohibited; and subjects violators to possible

license revocation or suspension (§ 8).

Lastly, it also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025, except the post-loss assignment-related provisions go into effect January 1, 2026.

§ 1 — ASSIGNMENT OF POST-LOSS HOMEOWNERS AND COMMERCIAL INSURANCE BENEFITS

The bill (1) establishes specific requirements for any assignment agreement that assigns, transfers, or acquires any post-loss benefit under a homeowners insurance policy or commercial property insurance policy delivered, issued for delivery, renewed, amended, or continued in the state on or after January 1, 2026; (2) provides for when an assignor acts under an urgent or emergency circumstance to protect the property; and (3) makes any assignment agreement that fails to comply with these provisions void and unenforceable.

Post-Loss Benefit Assignment Agreement Requirements

A post-loss benefit assignment agreement covered under the bill, must (1) be in writing and executed by the assignor and assignee and (2) only relate to the post-loss repair, inspection, remediation, or mitigation services that the assignee agreed to perform on the property. It must also include:

1. a provision affording the assignor the right to rescind the assignment agreement, without penalty, by submitting notice to the assignee (see *Rescission Notice* below);
2. a provision requiring the assignee to deliver a copy of the executed assignment agreement to the insurance company providing homeowners or commercial property insurance coverage for the property within a certain timeframe and in a specified manner (see *Delivery of Executed Agreement to Insurer* below);
3. an itemized, per unit cost estimate of the post-loss services to be performed by the assignee on the property;

4. a specific notice regarding the assignee's obligations and right to cancel the agreement (see *Required Notice in Agreement* below); and
5. a provision requiring the assignee to indemnify and hold the assignor harmless from any liability, damages, losses, or costs, including attorney's fees, arising from the agreed-upon post-loss services the assignee performed on the property.

Rescission Notice

Under the bill, the assignor must submit a signed rescission notice to the assignee:

1. within 14 days after the agreement has been executed;
2. at least 30 days after the date on which the post-loss services are scheduled to begin, provided the assignee has not substantially performed the agreed-upon post-loss services; or
3. at least 30 days after the agreement's execution, provided it does not contain a date by which the agreed-upon post-loss services are scheduled to begin and the assignee has not substantially performed them.

Delivery of Executed Agreement to Insurer

The assignee must deliver a copy of the executed agreement to the insurance company:

1. not later than (a) three business days after the agreement's execution, or (b) the date on which post-loss services are scheduled to begin, whichever is earlier; and
2. by (a) personal service, overnight mail, return receipt requested, to the address designated in the applicable homeowners or commercial property insurance policy or (b) email, evidenced by a delivery receipt, to the email address designated in the insurance policy, as applicable.

Required Notice in Agreement

Under the bill, each assignment agreement must include the following notice in at least 18-point boldface type:

“YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY TO A THIRD PARTY, WHICH MAY RESULT IN LITIGATION AGAINST YOUR INSURER. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING IT. YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHOUT PENALTY WITHIN 14 DAYS AFTER THE DATE THIS AGREEMENT IS EXECUTED, AT LEAST 30 DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO COMMENCE IF THE ASSIGNEE HAS NOT SUBSTANTIALLY PERFORMED, OR AT LEAST 30 DAYS AFTER THE EXECUTION OF THE AGREEMENT IF THE AGREEMENT DOES NOT CONTAIN A COMMENCEMENT DATE AND THE ASSIGNEE HAS NOT BEGUN SUBSTANTIAL WORK ON THE PROPERTY. HOWEVER, YOU ARE OBLIGATED FOR PAYMENT OF ANY CONTRACTED WORK PERFORMED BEFORE THE AGREEMENT IS RESCINDED. THIS AGREEMENT DOES NOT CHANGE YOUR OBLIGATION TO PERFORM THE DUTIES REQUIRED UNDER YOUR HOMEOWNERS OR COMMERCIAL PROPERTY INSURANCE POLICY.”

Excluded Fees

Under the bill, assignment agreements may not include (1) a bank check or mortgage processing fee, (2) a cancellation penalty or fee for the assignor, or (3) any administrative fee.

Urgent or Emergency Circumstance

If, before an assignment agreement’s execution, an assignor acts under an urgent or emergency circumstance to protect the property from damage, the assignee must not receive an assignment of post-loss benefits under a homeowners or commercial property insurance policy providing insurance coverage for the property for more than \$3,000 or 1% of the coverage limit under the policy that the policy will cover for losses resulting from damage to the policyholder’s residential or

building structure, or any structure of the policyholder that is attached to the residential or building structure, whichever is greater.

Under the bill, an “urgent or emergency circumstance” is any situation in which a loss to residential or commercial property, if not addressed immediately, will result in additional damage to the residential or commercial property.

Insurance Claim and Assignee’s Failures

If any insurance claim arises under an assignment agreement for post-loss services, the assignee has the burden of proving that the insurance company is not prejudiced by the assignee’s failure to:

1. keep records of all post-loss services provided under the assignment agreement,
2. cooperate with any internal claims investigation the insurance company conducted,
3. give the insurance company any documents related to post-loss services the assignee provided, or
4. deliver a copy of the executed assignment agreement to the insurance company within the timeframe specified above.

Assignee’s Requirements

The bill requires the assignee of the assignment agreement to:

1. provide the assignor with current cost estimates for the scope of the post-loss services to be performed, including for any additional services the assignee determines are required;
2. perform the post-loss services in keeping with the State Building Code;
3. not seek payment from the assignor for more than the policy’s deductible, unless the assignor and assignee executed a separate agreement for the home improvement or other services to be

performed at the assignor's own expense; and

4. before submitting an insurance claim under the applicable insurance policy, (a) submit to an examination by the insurance company or its authorized agent, under oath or recorded statement; and (b) participate in any alternative dispute resolution (ADR) proceedings under the applicable insurance policy's terms.

The examination must be (1) reasonably necessary, (2) based on the scope and complexity of the post-loss repair services performed on the property, and (3) limited to the scope and costs of those services under the agreement's terms.

Limitations of Assignment Agreement

Regardless of the state's insurance statutes, an assignment agreement executed under the bill does not transfer or create any authority to negotiate, adjust, or effect the settlement of any portion of any insurance claim to anyone or any entity not authorized to do so or take any action on behalf of any assignor or public adjuster.

Assignee's Prohibited Actions

Regardless of state law, under the bill, an assignee or the assignee's subcontractor, who executes an assignment agreement in keeping with the bill, is prohibited from:

1. filing a civil or administrative claim against the assignor or any named insured under the homeowners or commercial property insurance policy for payment of any post-loss services performed at the property,
2. collecting payment from the assignor or any named insured under the policy,
3. claiming a lien on the property, or
4. reporting the assignor or any named insured under the policy to a credit reporting agency for any payment due under the

assignment agreement.

These do not apply if an assignor violates his or her responsibilities under the bill (see below).

Assignor's Responsibilities

The assignor or named insured under the applicable homeowners or commercial property insurance policy is responsible for paying the following, as applicable:

1. deductible under the terms of the policy,
2. home improvement or other services performed by the assignee on the property and approved by the assignor, and
3. post-loss services performed on the property before the assignor rescinded the assignment agreement.

Assignee's Cause of Action Against the Insurance Company

Under the bill, an assignee does not have a cause of action against the homeowners or commercial property insurance company providing coverage for the property for payment of an insurance claim arising from post-loss services performed on the assignor's, or named insured's, property, unless the assignee provides written notice as described below.

Assignee's Written Notice

The assignee must give written notice to the named insured under the homeowners or commercial property insurance policy, assignor, and insurance company of the intention to bring a cause of action.

Timing and Content. This notice must (1) be provided at least 10 days before filing the action, but after the insurance company has determined coverage under policy, and (2) specify the claimed damages in dispute, the amount the assignee claims, and a presuit settlement demand (i.e. any monetary request submitted by an assignee in a written notice of intent to initiate litigation).

Filing Precondition. Before filing a cause of action, the assignee must provide the named insured, assignor, and insurance company with a written invoice or cost estimate of the post-loss repair, inspection, remediation, or mitigation services performed or scheduled to be performed by the assignee, including itemized information identifying (1) equipment; (2) materials; (3) the number of hours worked; and (4) in circumstances where the post-loss services were performed, proof that they were performed in keeping with accepted industry standards.

Service of Written Notice. The bill's notice requirements must be served by (1) certified mail, return receipt requested, to the name and mailing address designated by the insurance company in the insurance policy, and to the name and mailing address designated by the named insured or assignor in the agreement; or (2) email, evidenced by a delivery receipt, to the email address designated by the insurance company and the named insured or assignor in the above documents.

Insurance Company's Presuit Settlement Offer

Within 10 business days of receiving the notice described above, the insurance company must make a presuit settlement offer to the assignee or require the assignee to participate in an appraisal process in keeping with state law, or any other ADR under the applicable insurance policy's terms. Under the bill, a "presuit settlement offer" is any monetary proposal submitted by the insurance company to settle a dispute with an assignee before the assignee files a cause of action against the insurance company.

The bill requires the insurance company to investigate the assignee's claimed damages, in keeping with the state's insurance laws.

Post-Loss Benefit Assignment Provisions Do Not Apply

The bill's post-loss benefit assignment provisions do not apply to:

1. any assignment, transfer, or conveyance of residential or commercial property granted to a subsequent purchaser who holds an insurable interest in the property after a loss;

2. a power of attorney (as provided under the Connecticut Uniform Power of Attorney Act and the Connecticut Uniform Recognition of Substitute Decision-Making Documents Act) that grants to a management company, family member, guardian, or similarly situated person of a named insured under the applicable homeowners or commercial property insurance policy the authority to act on behalf of the named insured with respect to any insurance claim; or
3. general liability coverage under a homeowners or commercial property insurance policy.

Reports and Regulations

The bill establishes annual reporting requirements related to assignment agreements-related data.

Starting by February 1, 2026, each homeowners or commercial property insurance company licensed in the state must annually submit a report to the insurance commissioner, in a way he determines, that includes data for claims paid under an assignment agreement executed in keeping with the bill.

Starting by March 1, 2026, the commissioner must annually report to the Insurance Committee on his evaluation of the submitted data for the immediately preceding calendar year. The report must include an evaluation of (1) claims adjustments; (2) settlement timeframes; and (3) claims and litigation trends, categorized by claims litigated, claims settled prior to litigation, and loss adjustment expenses.

The commissioner must adopt regulations implementing the section's provisions.

§ 3 — INSURANCE DEDUCTIBLES AND HOME IMPROVEMENT CONTRACTS

Regardless of the state's home improvement contractor laws, the bill prohibits contractors from directly or indirectly advertising, offering, or promising any allowance, compensation, discount, payment, waiver, or

rebate for a homeowner's insurance deductible in order to induce the owner to sign a home improvement contract.

§ 4 — CONTRACTOR'S AND SALESPERSON'S NAME AND ADDRESS CHANGES

By law, a DCP-issued certificate of registration is required for a person to be a home improvement contractor or salesperson. Under the bill, before the person can hold himself or herself out to be a contractor or salesperson, he or she must also present evidence of any insurance coverage required by law.

The bill also specifically requires contractors and salespersons to notify DCP, through the online licensing system, of any changes in their business name, trade name, residential address, or business address, within 30 days after the change. Existing law already requires them to report any changes to their contact information within this timeframe.

§ 5 — CERTIFICATE OF REGISTRATION REQUIRED INFORMATION

The bill expands the required information on DCP's certificate of registration application form for home improvement contractors and salespersons; and makes certain distinctions depending on whether or not the applicant is a natural person.

Applicant's Information

Under current law, the application form must include the applicant's name. The bill specifies that the trade name is required if the applicant is a natural person and, if not, the business name is required.

Current law also requires the form to include the applicant's residential address and business address. Instead, the bill requires (1) a natural person to provide his or her contact information and (2) all other applicants to provide a business address.

Under existing law, unchanged by the bill, the form must include the applicant's business telephone number and email address. The bill additionally requires the form to include the applicant's web address.

Information on Additional Persons

Under the bill, the form must also include the name, trade name, and contact information of each business entity in which any individual owner or member of the applicant holds a financial or equitable interest. This applies only if the business entity offers home improvement services in the state.

Additionally, if the applicant is not a natural person, the form must include the name and contact information of the applicant's directors, officers, and principal shareholders.

Attestations

Under the bill, the application must also include a statement by the applicant attesting to whether the applicant previously had a certificate of registration and, if so, the name on it and whether it was suspended or revoked. The applicant must also attest to whether any judgment or arbitration award has been entered against the applicant.

Proof of Insurance

Existing law requires applicants to prove they have at least \$20,000 of general insurance coverage by providing the policy number and insurance provider. The bill requires the applicant to also prove they have obtained any other insurance coverage required by law.

§ 6 — PUBLIC ADJUSTER ACTIVITIES PROHIBITED

The bill expands the list of unlawful acts for home improvement contractors by prohibiting them from engaging in the activities of a public adjuster, except as described below. By law, a "public adjuster" (1) prepares, documents, and submits a first-party property claim to an insurance company for loss or damage by a covered peril under a personal or commercial risk insurance policy, issued by an insurance company; (2) negotiates, adjusts, or effects the settlement of the claim; and (3) advertises or solicits business as a public adjuster (CGS § 38a-723).

The bill allows a home improvement contractor to:

1. explain or discuss a bid for construction or repair of property loss or damage covered under a homeowners insurance policy with the property owner or the insurer if the contractor generally does the work included in the contract for the usual and customary fees, and
2. recommend that the property owner contact the insurer to determine whether a bid for construction or repair of property loss or damage is covered under the homeowners insurance policy, except as provided under the prohibited advertising and soliciting practices under existing law and the bill (see § 8 below).

§ 7 — NOTICE OF CANCELLATION IN HOME IMPROVEMENT CONTRACTS

The bill requires each home improvement contract to give the owner the right to cancel the contract and include a specified statement immediately above the place provided in the contract for the owner's signature. The statement must be in at least 10-point boldface type in substantially the following form:

"You may cancel this contract not later than midnight on the third business day after both you and the contractor signed this contract or you received notice from your insurer denying any part of your claim for the cost of the home improvements to be performed pursuant to this contract, whichever last occurs. Please see the attached notice of cancellation forms for additional information."

Cancellation Form

Under the bill, each contract must have at least two cancellation forms, attached to, and easily detachable from, the contract and in not less than 10-point boldface type. The form must be substantially as follows:

"NOTICE OF CANCELLATION

You may cancel this contract not later than midnight on the third business day after both you and the contractor sign this contract or you

receive notice from your insurer denying any part of your claim for the cost of the home improvements to be performed pursuant to this contract, whichever last occurs. In order to cancel this contract, you must sign, date and deliver, mail or electronically mail this notice to (insert name of contractor) at (insert principal business address and business electronic mail address of contractor) by the end of the three-day period described in this notice. If you cancel this contract, the contractor shall return all payments that you have made to the contractor pursuant to this contract, less the reasonable cost of any and all home improvements that the contractor performed pursuant to this contract prior to cancellation, and cancel the contractor's security interest, if any, in any home improvements performed prior to cancellation not later than ten business days after the contractor receives this notice. You should retain a copy of this notice for your records.

I HEREBY CANCEL THIS TRANSACTION:

Signature

(Insert date)"

§ 8 — PROHIBITED ADVERTISING AND SOLICITING

The bill precludes home improvement contractors, salesmen, or their agents and employees from engaging in certain conduct to induce owners to enter into home improvement contracts.

Definitions

Under the bill, "prohibited advertisement" means any written or electronic communication, including door hangers, business cards, magnets, flyers, pamphlets, or email, delivered by any contractor or salesman to encourage, instruct, or induce an owner to contact the contractor, salesman, or public adjuster to file an insurance claim for roof damage to the owner's property.

"Soliciting" means to make direct contact with anyone through mail, telephone, email, in-person communication, or any other means to induce the person to make a transaction.

Prohibited Actions

The bill prohibits contractors or salespersons, or their agents or employees from, directly or indirectly:

1. soliciting any owner through a prohibited advertisement, unless it provides, in not less than 12-point font, that (a) the owner is responsible for paying any insurance deductible for roof repair costs performed on the owner's property, and (b) intentionally filing an insurance claim containing any false, incomplete or misleading information constitutes insurance fraud, a class D felony punishable by a fine up to \$5,000, up to five years in prison, or both;
2. offering any rebate, gift, gift card, cash, coupon, waiver of any insurance deductible, or any other item of value to any owner in exchange for (a) allowing the contractor to inspect the roof; or (b) the owner, contractor, salesman, or their agents or employees, submitting an insurance claim for damage to the owner's roof; and
3. offering, delivering, receiving, or accepting any compensation, inducement, or reward for referring any home improvement work for which property insurance proceeds are payable. Under the bill, payment by an owner or insurance company to the contractor for roofing services does not constitute compensation for the referral.

Required Notice

Under the bill, any contract between a contractor and an owner for home improvement services to repair or replace the owner's roof must include a notice that the contractor is prohibited from engaging in the practices described above.

Penalty for Violations

The bill subjects any contractor who violates the prohibited actions or notice requirements described above to possible revocation or suspension of the contractor's certificate of registration.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 11 Nay 2 (02/25/2025)