



House of Representatives

General Assembly

File No. 187

February Session, 2026

Substitute House Bill No. 5263

House of Representatives, March 26, 2026

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, CONSUMER BILL OF RIGHTS 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, 2027*) (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 provided such homeowners insurance policy or commercial property

12 insurance policy allows for the assignment, transfer or acquisition of
13 post-loss benefits. "Assignment agreement" does not include any fee
14 collected by a public adjuster licensed pursuant to chapter 701b of the
15 general statutes;

16 (3) "Assignor" means any person who assigns, transfers or acquires
17 any post-loss benefit under a homeowners insurance policy or
18 commercial property insurance policy to an assignee through an
19 assignment agreement;

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

22 (5) "Mortgage" means a mortgage deed, deed of trust or other
23 equivalent consensual security interest on real property securing a loan
24 made primarily for (A) personal, family or household purposes, or (B)
25 commercial purposes;

26 (6) "Mortgagee" means the owner or servicer of the debt secured by a
27 mortgage;

28 (7) "Presuit settlement demand" means any monetary request
29 submitted by an assignee in a written notice of intent to initiate litigation
30 pursuant to subsection (h) of this section; and

31 (8) "Presuit settlement offer" means any monetary proposal,
32 submitted by the insurance company providing homeowners or
33 commercial property insurance coverage for the residential or
34 commercial property, to settle a dispute with an assignee prior to such
35 assignee filing a cause of action against such insurance company.

36 (b) (1) Any assignment agreement that assigns, transfers or acquires
37 any post-loss benefit under a homeowners insurance policy or
38 commercial property insurance policy delivered, issued for delivery,
39 renewed, amended or continued in this state on or after January 1, 2027,
40 shall:

41 (A) Be in writing and executed by the assignor and assignee of such

42 assignment agreement;

43 (B) Include a provision affording such assignor the right to rescind
44 such assignment agreement, without penalty, by submitting a signed
45 notice of rescission to such assignee (i) not later than fourteen days after
46 the execution of such assignment agreement, (ii) at least thirty days after
47 the date on which post-loss repair, inspection, remediation or mitigation
48 services are scheduled to commence on the residential or commercial
49 property pursuant to the terms of such assignment agreement, provided
50 such assignee has not substantially performed such post-loss services on
51 the residential or commercial property, in accordance with the terms of
52 such assignment agreement, or (iii) at least thirty days after the
53 execution of such assignment agreement, provided such assignment
54 agreement does not contain a date by which such post-loss repair,
55 inspection, remediation or mitigation services on such residential or
56 commercial property are scheduled to commence and such assignee has
57 not substantially performed such post-loss services on such residential
58 or commercial property, in accordance with the terms of such
59 assignment agreement;

60 (C) (i) Include a provision requiring such assignee to deliver a copy
61 of such executed assignment agreement to the insurance company
62 providing homeowners or commercial property insurance coverage for,
63 and to all mortgagees owning or servicing mortgages on, the residential
64 or commercial property not later than (I) three business days after the
65 date on which such assignment agreement is executed, or (II) the date
66 on which post-loss repair, inspection, remediation or mitigation services
67 are scheduled to commence on such residential or commercial property
68 pursuant to the terms of such assignment agreement, whichever is
69 earlier; and

70 (ii) Deliver a copy of such executed assignment agreement pursuant
71 to the provisions of subparagraph (C)(i) of this subdivision by personal
72 service, overnight mail, return receipt requested, to the address
73 designated in the homeowners or commercial property insurance
74 policy, or mortgage, as applicable, or by electronic means evidenced by

75 a delivery receipt, to the electronic mail address designated in the
76 homeowners or commercial property insurance policy, or mortgage, as
77 applicable;

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

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

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

87 "YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU
88 HAVE UNDER YOUR INSURANCE POLICY TO A THIRD PARTY,
89 WHICH MAY RESULT IN LITIGATION AGAINST YOUR INSURER.
90 PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE
91 SIGNING IT. YOU HAVE THE RIGHT TO CANCEL THIS
92 AGREEMENT WITHOUT PENALTY WITHIN 14 DAYS AFTER THE
93 DATE THIS AGREEMENT IS EXECUTED, AT LEAST 30 DAYS AFTER
94 THE DATE WORK ON THE PROPERTY IS SCHEDULED TO
95 COMMENCE IF THE ASSIGNEE HAS NOT SUBSTANTIALLY
96 PERFORMED, OR AT LEAST 30 DAYS AFTER THE EXECUTION OF
97 THE AGREEMENT IF THE AGREEMENT DOES NOT CONTAIN A
98 COMMENCEMENT DATE AND THE ASSIGNEE HAS NOT BEGUN
99 SUBSTANTIAL WORK ON THE PROPERTY. HOWEVER, YOU ARE
100 OBLIGATED FOR PAYMENT OF ANY CONTRACTED WORK
101 PERFORMED BEFORE THE AGREEMENT IS RESCINDED. THIS
102 AGREEMENT DOES NOT CHANGE YOUR OBLIGATION TO
103 PERFORM THE DUTIES REQUIRED UNDER YOUR HOMEOWNERS
104 OR COMMERCIAL PROPERTY INSURANCE POLICY."; and

105 (G) Include a provision requiring such assignee to indemnify and
106 hold harmless such assignor from any liability, damages, losses or costs,

107 including, but not limited to, attorney's fees, arising from such post-loss
108 repair, inspection, remediation or mitigation services performed by
109 such assignee on the residential or commercial property pursuant to the
110 terms of such assignment agreement.

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

115 (3) If, prior to the execution of an assignment agreement pursuant to
116 the provisions of this section, an assignor acts under an urgent or
117 emergency circumstance to protect such assignor's residential or
118 commercial property from damage, the assignee shall not receive an
119 assignment of post-loss benefits under a homeowners or commercial
120 property insurance policy providing insurance coverage for such
121 residential or commercial property in excess of three thousand dollars
122 or one per cent of the coverage limit under such homeowners or
123 commercial property insurance policy that such policy will cover for
124 losses resulting from damage to the policyholder's residential or
125 building structure, or any structure of the policyholder that is attached
126 to such residential or building structure, whichever is greater. For
127 purposes of this section, "urgent or emergency circumstance" means any
128 situation in which a loss to residential or commercial property, if not
129 addressed immediately, will result in additional damage to such
130 residential or commercial property.

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

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

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

141 (2) Cooperate with any internal claims investigation conducted by
142 such insurance company;

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

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

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

152 (1) Provide the assignor of such assignment agreement with current
153 cost estimates concerning the scope of such post-loss repair, inspection,
154 remediation or mitigation services to be performed, as such assignee
155 determines that any such additional repair, inspection, remediation or
156 mitigation services are required;

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

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

165 (4) Prior to submitting an insurance claim under the applicable
166 homeowners or commercial property insurance policy, and if required
167 by the homeowners or commercial property insurance company: (A)
168 Submit to an examination under oath or recorded statement conducted

169 by such homeowners or commercial property insurance company or
170 such insurance company's authorized agent. Such examination or
171 recorded statement shall be (i) reasonably necessary, (ii) based on the
172 scope of the post-loss repair, inspection, remediation or mitigation
173 services performed on such residential or commercial property and the
174 complexity of such insurance claim, and (iii) limited to matters related
175 to such services performed on such residential or commercial property,
176 the costs of such services and the assignment agreement; and (B)
177 participate in any alternative dispute resolution proceedings pursuant
178 to the terms of the applicable homeowners or commercial property
179 insurance policy.

180 (e) Upon the request of the assignor, the assignee or any home
181 improvement contractor may attend any on-site inspection of the
182 residential or commercial property, conducted by an insurance adjuster,
183 to serve as a resource to such assignor during such on-site inspection,
184 provided no such assignee or home improvement contractor shall
185 engage in any negotiation or settlement of any portion of an insurance
186 claim under the applicable homeowners or commercial property
187 insurance policy, unless such assignee or home improvement contractor
188 is a public adjuster licensed pursuant to chapter 701b of the general
189 statutes.

190 (f) Notwithstanding the provisions of section 38a-321 of the general
191 statutes, no assignment agreement executed in accordance with the
192 provisions of this section shall transfer or create any authority to
193 negotiate, adjust or effect the settlement of any portion of any
194 homeowners or commercial property insurance claim to any person or
195 entity not authorized pursuant to chapter 701b of the general statutes to
196 negotiate, adjust or effect such settlement of such insurance claim on
197 behalf of any assignor or claimant.

198 (g) (1) Notwithstanding any provision of the general statutes and
199 except as provided in subdivision (2) of this subsection, no assignee or
200 subcontractor of such assignee, who executes an assignment agreement
201 in accordance with the provisions of this section, shall (A) file any civil

202 or administrative claim against the assignor of such assignment
203 agreement or any named insured under the applicable homeowners or
204 commercial property insurance policy for payment of any post-loss
205 repair, inspection, remediation or mitigation services performed at the
206 residential or commercial property, (B) collect payment from such
207 assignor of such assignment agreement or any named insured under the
208 applicable homeowners or commercial property insurance policy, (C)
209 claim a lien on the residential or commercial property of such assignor
210 of such assignment agreement or any named insured under the
211 applicable homeowners or commercial property insurance policy, or (D)
212 report such assignor of such assignment agreement or any named
213 insured under the applicable homeowners or commercial property
214 insurance policy to a credit reporting agency for any payment due
215 pursuant to such assignment agreement.

216 (2) Such assignor of such assignment agreement or named insured
217 under the applicable homeowners or commercial property insurance
218 policy shall be responsible for payment of any (A) deductible under the
219 terms of such policy, (B) home improvement or other services
220 performed by the assignee on the residential or commercial property
221 that were approved by such assignor pursuant to subdivision (3) of
222 subsection (d) of this section, or (C) post-loss repair, inspection,
223 remediation or mitigation services performed on the property before
224 such assignor rescinded such assignment agreement pursuant to
225 subparagraph (B) of subdivision (1) of subsection (b) of this section.

226 (h) (1) No assignee of an assignment agreement shall have a cause of
227 action against the homeowners or commercial property insurance
228 company providing coverage for the residential or commercial property
229 for payment of an insurance claim arising from post-loss repair,
230 inspection, remediation or mitigation services performed on the
231 assignor's, or named insured's, residential or commercial property,
232 unless such assignee provides written notice of:

233 (A) Such assignee's intent to bring such cause of action to such named
234 insured under the homeowners or commercial property insurance

235 policy, assignor and insurance company not later than ten business days
236 before filing such cause of action and after such insurance company has
237 made a determination of coverage under such homeowners or
238 commercial property insurance policy; and

239 (B) The claimed damages in dispute, the amount claimed by such
240 assignee and a presuit settlement demand. As a precondition to filing
241 such cause of action, such assignee shall provide such named insured,
242 such assignor and such insurance company with a written invoice or
243 cost estimate of the post-loss repair, inspection, remediation or
244 mitigation services performed or scheduled to be performed by such
245 assignee, including itemized information identifying equipment,
246 materials, the number of hours worked, and, in circumstances where
247 such post-loss repair, inspection, remediation or mitigation services
248 were performed, proof that such services were performed in accordance
249 with accepted industry standards. Such notice requirements pursuant
250 to this subdivision shall be served by (i) certified mail, return receipt
251 requested, to the name and mailing address designated by the insurance
252 company in the homeowners or commercial property insurance policy,
253 and to the name and mailing address designated by such named insured
254 or assignor in the assignment agreement, or (ii) electronic means
255 evidenced by a delivery receipt, to the electronic mail address
256 designated by such insurance company in the homeowners or
257 commercial property insurance policy, and to the electronic mail
258 address designated by such named insured or assignor in such
259 assignment agreement.

260 (2) Not later than ten business days after receiving such notice
261 pursuant to the provisions of subdivision (1) of this subsection, such
262 insurance company shall submit a presuit settlement offer to such
263 assignee or require such assignee to participate in an appraisal process,
264 as provided in chapter 700 of the general statutes, or any other
265 alternative dispute resolution pursuant to the terms of the applicable
266 homeowners or commercial property insurance policy. Such insurance
267 company shall investigate such assignee's claimed damages, in
268 accordance with the provisions of title 38a of the general statutes.

269 (i) The provisions of this section shall not apply to:

270 (1) Any assignment, transfer or conveyance of residential or
271 commercial property granted to a subsequent purchaser of such
272 residential or commercial property who holds an insurable interest in
273 such residential or commercial property following a loss;

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

280 (3) General liability coverage under a homeowners or commercial
281 property insurance policy.

282 (j) (1) Not later than February 1, 2028, and annually thereafter, each
283 homeowners or commercial property insurance company licensed in
284 this state shall submit a report to the Insurance Commissioner, in a form
285 and manner prescribed by the commissioner, that includes data for any
286 such homeowners or commercial property insurance claim paid
287 pursuant to an assignment agreement executed in accordance with the
288 provisions of this section.

289 (2) Not later than March 1, 2028, and annually thereafter, said
290 commissioner shall submit a report, in accordance with the provisions
291 of section 11-4a of the general statutes, to the joint standing committee
292 of the General Assembly having cognizance of matters relating to
293 insurance. Such report shall include an evaluation of the data submitted
294 to the commissioner pursuant to subdivision (1) of this subsection for
295 the immediately preceding calendar year, including an evaluation of
296 claims adjustments, settlement time frames and claims and litigation
297 trends, categorized by claims litigated, claims settled prior to litigation
298 and loss adjustment expenses.

299 (k) The commissioner shall adopt regulations, in accordance with the

300 provisions of chapter 54 of the general statutes, to implement the
301 provisions of this section.

302 Sec. 2. Section 20-419 of the general statutes is repealed and the
303 following is substituted in lieu thereof (*Effective October 1, 2026*):

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

306 (1) "Business day" has the same meaning as provided in section 42-
307 134a, as amended by this act.

308 ~~[(1)]~~ (2) "Business entity" means an association, corporation, limited
309 liability company, limited liability partnership or partnership.

310 ~~[(2)]~~ (3) "Certificate" means a certificate of registration issued under
311 section 20-422.

312 ~~[(3)]~~ (4) "Commissioner" means (A) the Commissioner of Consumer
313 Protection, and (B) any person designated by the commissioner to
314 administer and enforce this chapter.

315 ~~[(4)]~~ (5) (A) "Contractor" means any person who (i) owns and operates
316 a home improvement business, or (ii) undertakes, offers to undertake or
317 agrees to perform any home improvement.

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

322 ~~[(5)]~~ (6) (A) "Home improvement" includes, but is not limited to, the
323 repair, replacement, remodeling, alteration, conversion, modernization,
324 improvement, rehabilitation or sandblasting of, or addition to, any land
325 or building or that portion thereof which is used or designed to be used
326 as a private residence, dwelling place or residential rental property, or
327 the construction, replacement, installation or improvement of alarm
328 systems not requiring electrical work, as defined in section 20-330,

329 driveways, swimming pools, porches, garages, roofs, siding, insulation,
330 sunrooms, flooring, patios, landscaping, fences, doors and windows,
331 waterproofing, water, fire or storm restoration or mold remediation in
332 connection with such land or building or that portion thereof which is
333 used or designed to be used as a private residence, dwelling place or
334 residential rental property or the removal or replacement of a residential
335 underground heating oil storage tank system, in which the total price
336 for all work agreed upon between the contractor and owner or proposed
337 or offered by the contractor exceeds two hundred dollars.

338 (B) "Home improvement" does not include (i) the construction of a
339 new home, (ii) the sale of goods or materials by a seller who neither
340 arranges to perform nor performs, directly or indirectly, any work or
341 labor in connection with the installation or application of the goods or
342 materials, (iii) the sale of goods or services furnished for commercial or
343 business use or for resale, provided commercial or business use does not
344 include use as residential rental property, (iv) the sale of appliances,
345 such as stoves, refrigerators, freezers, room air conditioners and others,
346 which are designed for and are easily removable from the premises
347 without material alteration thereof, (v) tree or shrub cutting or the
348 grinding of tree stumps, and (vi) any work performed without
349 compensation by the owner on such owner's own private residence or
350 residential rental property.

351 [(6)] (7) "Home improvement contract" means an agreement between
352 a contractor and an owner for the performance of a home improvement.

353 [(7)] (8) "Owner" means a person who owns or resides in a private
354 residence and includes any agent thereof, including, but not limited to,
355 a condominium association. An owner of a private residence shall not
356 be required to reside in such residence to be deemed an owner under
357 this subdivision.

358 [(8)] (9) "Person" means an individual or a business entity.

359 [(9)] (10) "Private residence" means a single family dwelling, a
360 multifamily dwelling consisting of not more than six units, or a unit,

361 common element or limited common element in a condominium, as
362 defined in section 47-68a, or in a common interest community, as
363 defined in section 47-202, or any number of condominium units for
364 which a condominium association acts as an agent for such unit owners.

365 [(10)] (11) "Proprietor" means an individual who (A) has an
366 ownership interest in a business entity that holds or has held a certificate
367 of registration issued under this chapter, and (B) has been found by a
368 court of competent jurisdiction to have violated any provision of this
369 chapter related to the conduct of a business entity holding a certificate
370 or that has held a certificate issued under this chapter within the two
371 years of the effective date of entering into a contract with an owner
372 harmed by the actions of such individual or business entity.

373 [(11)] (12) "Salesman" means any individual who (A) negotiates or
374 offers to negotiate a home improvement contract with an owner, or (B)
375 solicits or otherwise endeavors to procure by any means whatsoever,
376 directly or indirectly, a home improvement contract from an owner on
377 behalf of a contractor.

378 [(12)] (13) "Residential rental property" means a single family
379 dwelling, a multifamily dwelling consisting of not more than six units,
380 or a unit, common element or limited common element in a
381 condominium, as defined in section 47-68a, or in a common interest
382 community, as defined in section 47-202, which is not owner-occupied.

383 [(13)] (14) "Residential underground heating oil storage tank system"
384 means an underground storage tank system used with or without
385 ancillary components in connection with real property composed of
386 four or less residential units.

387 [(14)] (15) "Underground storage tank system" means an
388 underground tank or combination of tanks, with any underground
389 pipes or ancillary equipment or containment systems connected to such
390 tank or tanks, used to contain an accumulation of petroleum, which
391 volume is ten per cent or more beneath the surface of the ground.

392 Sec. 3. (NEW) (*Effective October 1, 2026*) Notwithstanding any
393 provision of chapter 400 of the general statutes, no contractor shall
394 advertise, offer or promise to provide, directly or indirectly, any
395 allowance, compensation, discount, payment, waiver or rebate to an
396 owner for any portion of the owner's insurance deductible as an
397 inducement for such owner to enter into a home improvement contract
398 with such contractor.

399 Sec. 4. Section 20-420 of the general statutes is repealed and the
400 following is substituted in lieu thereof (*Effective October 1, 2026*):

401 (a) (1) No person shall hold such person out to be a contractor or
402 salesperson without first (A) obtaining a certificate of registration from
403 the commissioner as provided in this chapter, except ~~[(1)]~~ (i) that an
404 individual or partner, or officer or director of a corporation registered
405 as a contractor shall not be required to obtain a salesperson's certificate,
406 and ~~[(2)]~~ (ii) as provided in subsections (e) and (f) of this section, and (B)
407 presenting evidence of such certificate of registration.

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

413 (3) No certificate shall be given to any person who holds such person
414 out to be a contractor that performs removal or replacement of any
415 residential underground heating oil storage tank system unless such
416 contractor provides evidence, satisfactory to the commissioner, that the
417 contractor (A) has completed a hazardous material training program
418 approved by the Department of Energy and Environmental Protection,
419 and (B) has presented evidence of liability insurance coverage of one
420 million dollars.

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

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

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

430 (e) A retail establishment, which is a business that operates from a
431 fixed location where goods or services are offered for sale, may apply
432 annually for a certificate of registration as a salesperson on behalf of its
433 employees if it employs or otherwise compensates one or more
434 salespersons whose solicitation, negotiation and completion of sales are
435 conducted entirely at the retail establishment or virtually or by phone.
436 The retail establishment shall (1) apply for such registration on a form
437 prescribed by the commissioner, (2) maintain a list of all salespersons
438 intended to be covered by the retailer's certificate of registration, and (3)
439 pay a fee equal to the amount that would be due if each person were to
440 apply individually for a certificate of registration, including the amount
441 that would be due under the guaranty fund. The list of salespersons
442 covered by the retailer's certificate of registration shall be made
443 available to the department upon request. If any person covered by the
444 retail establishment's salesperson certificate of registration conducts
445 activity covered by the salesperson credential at a place other than the
446 retail establishment or virtually or by phone, such person shall apply for
447 an individual salesperson certificate of registration using the form
448 prescribed by the commissioner for such registrations and shall pay the
449 corresponding application fee.

450 (f) Certificates of registration for salespersons issued to retail
451 establishments shall not be transferable or assignable, except a retail
452 establishment that is a holder of a salesperson certificate may remove an
453 existing or former employee currently listed on the certification of
454 registration and replace such person with a new or existing employee
455 employed as a salesperson. If the retail establishment adds or removes

456 salespeople, there shall be no refund or supplemental payment. The fee
457 shall be based on the number of salespeople at the time of each renewal.

458 (g) A contractor or salesperson shall update, through the
459 department's online licensing system, any application information the
460 contractor or salesperson has provided to the department pursuant to
461 this section, including, but not limited to, any contact information,
462 including, but not limited to, a change in business or trade name,
463 residence address or business address for such contractor or
464 salesperson, insurance information or criminal history for such
465 contractor or salesperson, or, if such contractor is a business entity,
466 criminal histories of the individual owners of such business entity, not
467 later than thirty days after any change in such information.

468 Sec. 5. Subsection (a) of section 20-421 of the general statutes is
469 repealed and the following is substituted in lieu thereof (*Effective October*
470 *1, 2026*):

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

474 (1) [~~the~~] The applicant's name [, residence address, business address,
475 business telephone number and electronic mail address, (2) a] and trade
476 name, if the applicant is a natural person, or business name, if the
477 applicant is not a natural person;

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

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

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

486 (5) If the applicant is not a natural person, the name and contact
487 information of each individual who is a director, officer or principal
488 shareholder of such applicant who either (A) owns more than ten per
489 cent of the business entity, or (B) participates in the operation or
490 management of such business entity;

491 (6) A statement, attested to by the applicant, disclosing whether (A)
492 the applicant previously held a certificate of registration and, if the
493 applicant previously held such a certificate, (i) the name by which such
494 applicant held such certificate, and (ii) whether such certificate was
495 suspended or revoked, and (B) any judgment or arbitration award has
496 been entered against the applicant;

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

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

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

508 Sec. 6. Subsection (b) of section 20-427 of the 2026 supplement to the
509 general statutes is repealed and the following is substituted in lieu
510 thereof (*Effective October 1, 2026*):

511 (b) No person shall: (1) Present or attempt to present, as such person's
512 own, the certificate of another, (2) knowingly give false evidence of a
513 material nature to the commissioner for the purpose of procuring a
514 certificate, (3) represent himself or herself falsely as, or impersonate, a
515 registered home improvement contractor or salesman, (4) use or attempt
516 to use a certificate which has expired or which has been suspended or

517 revoked, (5) offer to make or make any home improvement without
518 having a current certificate of registration under this chapter, (6)
519 represent in any manner that such person's registration constitutes an
520 endorsement of the quality of such person's workmanship or of such
521 person's competency by the commissioner, (7) employ or allow any
522 person to act as a salesman on such person's behalf unless such person
523 is registered as a home improvement salesman, [or] (8) fail to refund the
524 amount paid for a home improvement within ten days of a written
525 request mailed or delivered to the contractor's last-known address, if no
526 substantial portion of the contracted work has been performed at the
527 time of the request and more than thirty days has elapsed since the
528 starting date specified in the written contract, or more than thirty days
529 has elapsed since the date of the contract if such contract does not
530 specify a starting date, or (9) engage in the activities of a public adjuster,
531 as defined in section 38a-723, except that such person may (A) explain
532 or discuss a bid for construction or repair of property loss or damage
533 covered under a homeowners insurance policy with an owner of such
534 property or the insurer of such property if such person does so for the
535 usual and customary fees applicable to the work to be performed as
536 stated in the home improvement contract between such person and the
537 owner, or (B) except as provided in subsection (c) of section 20-429a, as
538 amended by this act, advise or recommend to an owner of such property
539 that such owner contact (i) such owner's insurer to determine whether
540 any such bid for construction or repair of property loss or damage is
541 covered under a homeowners insurance policy with such owner of such
542 property, or (ii) a public adjuster, when appropriate.

543 Sec. 7. Section 20-429a of the general statutes is repealed and the
544 following is substituted in lieu thereof (*Effective October 1, 2026*):

545 (a) As used in this section:

546 (1) "Prohibited advertisement" means any written or electronic
547 communication, including, but not limited to, door hangers, business
548 cards, magnets, flyers, pamphlets or electronic mail, delivered by any
549 contractor or salesman to encourage, instruct or induce an owner to

550 contact such contractor, salesman or public adjuster, as defined in
551 section 38a-723, to file an insurance claim for roof damage to such
552 owner's property.

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

556 (b) No contractor or salesman shall solicit or otherwise endeavor to
557 procure home improvement work or a home improvement contract
558 from an owner by notifying the owner that a contractor will commence
559 home improvement work unless the owner instructs the contractor not
560 to commence such work by a date determined by the contractor.

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

563 (1) Solicit any owner through a prohibited advertisement, unless such
564 prohibited advertisement provides, in not less than twelve-point font,
565 the following information: "You are responsible for payment of any
566 insurance deductible for roof repair costs performed on your property.
567 Intentionally filing an insurance claim containing any false, incomplete
568 or misleading information constitutes insurance fraud punishable as a
569 class D felony pursuant to section 53a-215.";

570 (2) Offer any rebate, gift, gift card, cash, coupon, waiver of any
571 insurance deductible or any other item of value to any owner in
572 exchange for (A) allowing such contractor to conduct an inspection of
573 such owner's roof; and (B) such owner, contractor, salesman or any
574 agent or employee of such contractor submitting an insurance claim for
575 damage to such owner's roof; and

576 (3) Offer, deliver, receive or accept any compensation, inducement or
577 reward for the referral of any home improvement work for which
578 property insurance proceeds are payable. No payment by any owner or
579 insurance company to such contractor for roofing services shall
580 constitute compensation for such referral pursuant to the provisions of

581 this subdivision.

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

586 Sec. 8. Subdivision (1) of section 42-134a of the 2026 supplement to
587 the general statutes is repealed and the following is substituted in lieu
588 thereof (*Effective October 1, 2026*):

589 (1) "Home solicitation sale" means a sale, lease, or rental of consumer
590 goods or services, whether under single or multiple contracts, in which
591 the seller or his representative personally solicits the sale, including
592 those in response to or following an invitation by the buyer, and the
593 buyer's agreement or offer to purchase is made at a place other than the
594 place of business of the seller. The term "home solicitation sale" does not
595 include a transaction: (A) Made pursuant to prior negotiations in the
596 course of a visit by the buyer to a retail business establishment having a
597 fixed, permanent location where goods are exhibited or the services are
598 offered for sale on a continuing basis; (B) except as provided in
599 subsection (d) of section 42-137, as amended by this act, in which the
600 buyer has initiated the contact and the goods or services are needed to
601 meet a bona fide immediate personal emergency of the buyer, and the
602 buyer furnishes the seller with a separate dated and signed personal
603 statement in the buyer's handwriting describing the situation requiring
604 immediate remedy and expressly acknowledging and waiving the right
605 to cancel the sale within three business days; (C) conducted and
606 consummated entirely by mail or telephone and without any other
607 contact between the buyer and the seller or its representative prior to
608 delivery of the goods or performance of the services; (D) in which the
609 buyer has initiated the contact and specifically requested the seller to
610 visit his home for the purpose of repairing or performing maintenance
611 upon the buyer's personal property. If in the course of such a visit, the
612 seller sells the buyer the right to receive additional services or goods
613 other than replacement parts necessarily used in performing the

614 maintenance or in making the repairs, the sale of those additional goods
615 or services shall not come within this exclusion; (E) pertaining to the sale
616 or rental of real property, to the sale of insurance, to the sale of
617 newspapers or to the sale of securities or commodities by a broker-
618 dealer registered with the securities and exchange commission; (F)
619 made pursuant to a home party plan sales and demonstration; or (G) in
620 the case of consumer goods, other than magazine sales or subscriptions,
621 where the purchase price, whether under single or multiple contracts,
622 does not exceed twenty-five dollars.

623 Sec. 9. Section 42-137 of the general statutes is amended by adding
624 subsection (d) as follows (*Effective October 1, 2026*):

625 (NEW) (d) Notwithstanding the provisions of section 42-134a, as
626 amended by this act, a home improvement contract that requires the
627 performance of emergency restoration services may include a provision
628 that allows the owner to waive such owner's right to cancel such
629 contract not later than three business days after the owner and
630 contractor signed such contract, provided such contract (1) is subject to
631 the requirements of chapter 740, and (2) requires the performance of
632 such emergency restoration services to remedy an urgent or emergency
633 circumstance, as defined in section 1 of this act. Such owner may waive
634 such right to cancel such contract by providing to the contractor a
635 separate statement, dated and signed by the owner in electronic or
636 paper form, that describes the urgent or emergency circumstance
637 requiring immediate remedy and expressly acknowledges and waives
638 such owner's right to cancel such contract not later than three business
639 days after the owner and contractor signed such contract. For the
640 purposes of this subsection, "emergency restoration services" means the
641 performance of services designed to mitigate and restore damage to any
642 land or building or that portion thereof which is used or designed to be
643 used as a private residence, dwelling place or residential rental
644 property. "Emergency restoration services" includes water extraction
645 and drying, fire damage clean-up and soot removal, removal of
646 damaged carpet and other flooring material, removal of damaged
647 drywall and building materials, removal of smoke odors, sanitizing and

648 preventive activities of mold or mold-containment matter and the repair
 649 or replacement of damaged materials, provided no structural, electrical,
 650 plumbing or air conditioning work is performed. "Emergency
 651 restoration services" does not include repair to or replacement of a roof.

652 Sec. 10. (NEW) (*Effective from passage*) (a) Not later than September 1,
 653 2026, the Insurance Commissioner shall develop, and thereafter revise
 654 as necessary, a consumer bill of rights regarding insurance and real
 655 estate. Such bill of rights shall be consistent with applicable federal and
 656 state laws and include, but need not be limited to, a statement of the
 657 principles and values that form the basis for such bill of rights.

658 (b) On and after October 1, 2026, the commissioner shall post the
 659 consumer bill of rights regarding insurance and real estate on the
 660 Internet web site of the Insurance Department.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2027</i>	New section
Sec. 2	<i>October 1, 2026</i>	20-419
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>October 1, 2026</i>	20-420
Sec. 5	<i>October 1, 2026</i>	20-421(a)
Sec. 6	<i>October 1, 2026</i>	20-427(b)
Sec. 7	<i>October 1, 2026</i>	20-429a
Sec. 8	<i>October 1, 2026</i>	42-134a(1)
Sec. 9	<i>October 1, 2026</i>	42-137(d)
Sec. 10	<i>from passage</i>	New section

INS *Joint Favorable Subst.*

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 regarding post-loss benefit assignment agreements and home improvement contractors resulting in no fiscal impact to the state.

Section 1 makes various changes to post-loss benefit assignment agreements resulting in no fiscal impact to the state or municipalities.

Sections 2-9 make various changes to statutes concerning home improvement contractors resulting in no fiscal impact to the state because the Department of Consumer Protection oversees home improvement contractors and has the resources and expertise to meet the requirements of the bill.

Section 10 requires the Insurance Department to develop a consumer bill of rights and results in no fiscal impact as the department has the expertise to meet the requirements of the bill.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5263****AN ACT CONCERNING THE ASSIGNMENT OF POST-LOSS HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE BENEFITS, CONSUMER BILL OF RIGHTS AND REVISING DISCLOSURE REQUIREMENTS FOR HOME IMPROVEMENT CONTRACTORS AND SALESPERSONS.****SUMMARY**

This bill generally (1) addresses matters related to post-loss benefit assignment agreements (those that assign, transfer, or acquire any post-loss benefit under a residential or commercial property insurance policy, if allowed by the policy, excluding public adjusters' fees) (§ 1); (2) makes changes in laws related to home improvement contracts (§§ 2-9); and (3) requires the Insurance Department to develop a consumer bill of rights regarding insurance and real estate, by September 1, 2026 (§ 10).

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, 2027. Among other things, the bill specifically:

1. requires post-loss assignment agreements to be executed in writing and shared with the insurance company and any mortgagee (the mortgage owner or servicer);
2. establishes rights and prohibitions for the assignor (person who assigns, transfers, or acquires the benefit) and assignee (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 2028, to annually submit post-loss-related data to the insurance commissioner, which he must evaluate and report to the Insurance and Real Estate Committee (§ 1).

Regarding the provisions of the bill that make changes to laws on home improvement contracts, a section-by-section analysis appears below.

Among other things, the bill does the following:

1. specifies that under 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 the owner 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 their registration certificate before holding themselves out as one (§ 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. precludes home improvement contractors, salesmen, or their

employees from engaging in certain conduct (for example, prohibited advertising and soliciting regarding roof repair); requires the contractor to disclose in any roof repair or replacement contract the prohibited conduct and to state that they constitute insurance fraud (§ 7); and

7. establishes the circumstances under which a home improvement contract requiring urgent emergency services may include a provision allowing the owner to waive the right to cancel (§§ 8 & 9).

Lastly, it also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2026, except the provision on the (1) post-loss assignment is effective January 1, 2027, and (2) consumer bill of rights is effective upon passage.

§ 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, 2027; (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 giving the assignor the right to rescind the assignment agreement, without penalty, by submitting notice to

- the assignee (see *Recission 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, and mortgagees owning or servicing mortgages on the property, within a certain timeframe and in a specified way (see *Delivery of Executed Agreement to Insurer and Mortgagee* 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 about 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, arising from the agreed-upon post-loss services the assignee performed on the property, including attorney's fees.

Recission Notice

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

1. within 14 days of the agreement's execution;
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 and Mortgagee

The assignee must deliver a copy of the executed agreement to the insurance company and all mortgagees owning or servicing mortgages on the property:

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 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) administrative fees.

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 three days of the agreement's execution or when the services commenced, whichever is earlier.

Assignee's Requirements

The bill requires the assignee of the assignment agreement to:

1. give the assignor current cost estimates for the scope of the post-loss services to be performed, including for any additional services the assignee determines are needed;
2. perform the post-loss services as the State Building Code requires;
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, and if required by the insurance company, (a) submit to an examination under oath, or provide a recorded statement under oath conducted by the insurance company or its authorized agent; and (b) participate in any alternative dispute resolution (ADR) proceedings under the applicable insurance policy's terms.

The examination or recorded statement must be (1) reasonably necessary; (2) based on the scope of the post-loss repair services performed on the property and the complexity of the insurance claim; and (3) limited to matters related to services performed, the cost of the services, and the assignment agreement's terms.

Limitations of Assignment Agreement

Regardless of the law on an insurer's liability under a liability policy, an assignment agreement executed under the bill does not transfer or create any authority to negotiate, adjust, or settle any portion of any homeowners or commercial property insurance claim to anyone or any entity not authorized to do so on behalf of any assignor or claimant, under the public adjusters' statutes.

Assignees and Contractors Attendance at On-site Inspection

The bill allows the assignee or a home improvement contractor to attend any on-site inspection of the property the insurance adjuster does, if:

1. requested by the assignor for them to serve as a resource to the assignor during the on-site inspection and
2. the assignee and contractor do not engage in negotiating or settling of any portion of an insurance claim under the applicable insurance policy, unless they are a licensed 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 generally 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 gives 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 given 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 (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 give the named insured, assignor, and insurance company 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 in the policy and the named insured or assignor in the assignment agreement.

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.

Inapplicability of Post-Loss Benefit Assignment Provisions

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 sets annual reporting requirements related to assignment agreements-related data.

Starting by February 1, 2028, 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, 2028, 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 their registration

certificate.

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 names and contact information of the applicant's directors,

officers, and principal shareholders who (1) own more than 10% of the business entity or (2) participate in the business' operation or management.

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 explicitly 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. when appropriate, advise or recommend that the property owner

contact (a) the insurer to determine whether a bid for construction or repair of property loss or damage is covered under the homeowners insurance policy or (b) a public adjuster, except as provided under the prohibited advertising and soliciting practices under existing law and the bill (see § 7 below).

§ 7 — 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 emails, 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, the following in at least 12-point font: “You are responsible for paying any insurance deductible for roof repair costs performed on your property. Intentionally filing an insurance claim containing any false, incomplete or misleading information constitutes insurance fraud punishable as a class D felony pursuant to CGS § 53a-215” (a class D felony is 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; and (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.

The bill specifies that 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.

§§ 8 & 9 — HOME IMPROVEMENT CONTRACT FOR EMERGENCY RESTORATION SERVICES

Waiving Right to Cancel

Under the Home Solicitation Sales Act, a transaction in which the buyer initiates a contract due to an emergency is not considered a home solicitation sale. The bill makes an exception in home improvement contracts involving urgent and emergency circumstances as described below.

Permitted Circumstances. The bill establishes two circumstances under which a home improvement contract involving emergency restoration services may include a provision that allows the owner to waive his or her right to cancel the contract not later than three business days after the owner and contractor signed it. Under the bill, the contract may include this cancellation waiver if the contract (1) is subject to the requirements of Home Solicitation Sales Act, and (2) the emergency restoration services are required to remedy a situation in which a loss to

residential or commercial property, if not addressed immediately, will result in additional damage to the property (“urgent or emergency circumstance”).

Owner’s Statement. Under the bill, the owner may waive his or her right to cancel the contract by giving the contractor a separate statement dated and signed by the owner in electronic or paper form, describing the circumstance requiring immediate remedy and that expressly acknowledges and waives the owner’s right to cancel as described above.

Emergency Restoration Services

Under the bill, “emergency restoration services” are services designed to mitigate and restore damage to any land or building used or designed to be used as a private residence, dwelling place, or residential rental property, but it does not include roof repair or replacement services.

The bill expressly includes water extraction and drying; fire damage clean-up and soot removal; damaged carpet and other flooring material removal; damaged drywall and building materials removal, smoke odor removal or sanitizing; mold prevention and containment; and the repair or replacement of damaged materials, if no structural, electrical, plumbing, or air conditioning work is done.

§ 10 — CONSUMER BILL OF RIGHTS

The bill requires the Insurance Commissioner to (1) develop a consumer bill of rights regarding insurance and real estate, by September 1, 2026; (2) post it on the department’s website, by October 1, 2026; and (3) revise it as necessary after that.

The bill of rights must be consistent with applicable federal and state laws and must include a statement of the principles and values it is based on.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/12/2026)