



# House of Representatives

**File No. 747**

General Assembly

February Session, 2026

**(Reprint of File No. 187)**

Substitute House Bill No. 5263  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 30, 2026

**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 or transfers any post-  
17 loss benefit under a homeowners insurance policy or commercial  
18 property insurance policy to an assignee through an assignment  
19 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 a sworn statement regarding (i) the post-loss repair, inspection,  
169 remediation or mitigation services performed on such residential or  
170 commercial property, (ii) the costs of such services, and (iii) the  
171 assignment agreement; and (B) agree to, and participate in, any  
172 alternative dispute resolution proceedings pursuant to the terms of the  
173 applicable homeowners or commercial property insurance policy.

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

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

192 (g) (1) Notwithstanding any provision of the general statutes and  
193 except as provided in subdivision (2) of this subsection, no assignee or  
194 subcontractor of such assignee, who executes an assignment agreement  
195 in accordance with the provisions of this section, shall (A) file any civil  
196 or administrative claim against the assignor of such assignment  
197 agreement or any named insured under the applicable homeowners or  
198 commercial property insurance policy for payment of any post-loss  
199 repair, inspection, remediation or mitigation services performed at the

200 residential or commercial property, (B) collect payment from such  
201 assignor of such assignment agreement or any named insured under the  
202 applicable homeowners or commercial property insurance policy, (C)  
203 claim a lien on the residential or commercial property of such assignor  
204 of such assignment agreement or any named insured under the  
205 applicable homeowners or commercial property insurance policy, or (D)  
206 report such assignor of such assignment agreement or any named  
207 insured under the applicable homeowners or commercial property  
208 insurance policy to a credit reporting agency for any payment due  
209 pursuant to such assignment agreement.

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

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

227 (A) Such assignee's intent to bring such cause of action to such named  
228 insured under the homeowners or commercial property insurance  
229 policy, assignor and insurance company not later than ten business days  
230 before filing such cause of action and after such insurance company has  
231 made a determination of coverage under such homeowners or  
232 commercial property insurance policy; and

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

249 (2) Not later than ten business days after receiving such notice  
250 pursuant to the provisions of subdivision (1) of this subsection, such  
251 insurance company shall submit a presuit settlement offer to such  
252 assignee or require such assignee to participate in an appraisal process,  
253 as provided in chapter 700 of the general statutes, or any other  
254 alternative dispute resolution pursuant to the terms of the applicable  
255 homeowners or commercial property insurance policy. Such insurance  
256 company shall investigate such assignee's claimed damages, in  
257 accordance with the provisions of title 38a of the general statutes.

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

259 (1) Any assignment, transfer or conveyance of residential or  
260 commercial property granted to a subsequent purchaser of such  
261 residential or commercial property who holds an insurable interest in  
262 such residential or commercial property following a loss;

263 (2) A power of attorney, as provided in chapter 15c of the general  
264 statutes, that grants to a management company, family member,

265 guardian or similarly situated person of a named insured under the  
266 applicable homeowners or commercial property insurance policy the  
267 authority to act on behalf of such named insured with respect to any  
268 homeowners or commercial property insurance claim; or

269 (3) General liability coverage under a homeowners or commercial  
270 property insurance policy.

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

278 (2) Not later than March 1, 2028, and annually thereafter, said  
279 commissioner shall submit a report, in accordance with the provisions  
280 of section 11-4a of the general statutes, to the joint standing committee  
281 of the General Assembly having cognizance of matters relating to  
282 insurance. Such report shall include an evaluation of the data submitted  
283 to the commissioner pursuant to subdivision (1) of this subsection for  
284 the immediately preceding calendar year, including an evaluation of  
285 claims adjustments, settlement time frames and claims and litigation  
286 trends, categorized by claims litigated, claims settled prior to litigation  
287 and loss adjustment expenses.

288 (k) The commissioner shall adopt regulations, in accordance with the  
289 provisions of chapter 54 of the general statutes, to implement the  
290 provisions of this section.

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

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

295 (1) "Business day" has the same meaning as provided in section 42-  
296 134a, as amended by this act.

297 ~~[(1)]~~ (2) "Business entity" means an association, corporation, limited  
298 liability company, limited liability partnership or partnership.

299 ~~[(2)]~~ (3) "Certificate" means a certificate of registration issued under  
300 section 20-422.

301 ~~[(3)]~~ (4) "Commissioner" means (A) the Commissioner of Consumer  
302 Protection, and (B) any person designated by the commissioner to  
303 administer and enforce this chapter.

304 ~~[(4)]~~ (5) (A) "Contractor" means any person who (i) owns and operates  
305 a home improvement business, or (ii) undertakes, offers to undertake or  
306 agrees to perform any home improvement.

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

311 ~~[(5)]~~ (6) (A) "Home improvement" includes, but is not limited to, the  
312 repair, replacement, remodeling, alteration, conversion, modernization,  
313 improvement, rehabilitation or sandblasting of, or addition to, any land  
314 or building or that portion thereof which is used or designed to be used  
315 as a private residence, dwelling place or residential rental property, or  
316 the construction, replacement, installation or improvement of alarm  
317 systems not requiring electrical work, as defined in section 20-330,  
318 driveways, swimming pools, porches, garages, roofs, siding, insulation,  
319 sunrooms, flooring, patios, landscaping, fences, doors and windows,  
320 waterproofing, water, fire or storm restoration or mold remediation in  
321 connection with such land or building or that portion thereof which is  
322 used or designed to be used as a private residence, dwelling place or  
323 residential rental property or the removal or replacement of a residential  
324 underground heating oil storage tank system, in which the total price  
325 for all work agreed upon between the contractor and owner or proposed

326 or offered by the contractor exceeds two hundred dollars.

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

340 [(6)] (7) "Home improvement contract" means an agreement between  
341 a contractor and an owner for the performance of a home improvement.

342 [(7)] (8) "Owner" means a person who owns or resides in a private  
343 residence and includes any agent thereof, including, but not limited to,  
344 a condominium association. An owner of a private residence shall not  
345 be required to reside in such residence to be deemed an owner under  
346 this subdivision.

347 [(8)] (9) "Person" means an individual or a business entity.

348 [(9)] (10) "Private residence" means a single family dwelling, a  
349 multifamily dwelling consisting of not more than six units, or a unit,  
350 common element or limited common element in a condominium, as  
351 defined in section 47-68a, or in a common interest community, as  
352 defined in section 47-202, or any number of condominium units for  
353 which a condominium association acts as an agent for such unit owners.

354 [(10)] (11) "Proprietor" means an individual who (A) has an  
355 ownership interest in a business entity that holds or has held a certificate  
356 of registration issued under this chapter, and (B) has been found by a

357 court of competent jurisdiction to have violated any provision of this  
358 chapter related to the conduct of a business entity holding a certificate  
359 or that has held a certificate issued under this chapter within the two  
360 years of the effective date of entering into a contract with an owner  
361 harmed by the actions of such individual or business entity.

362 [(11)] (12) "Salesman" means any individual who (A) negotiates or  
363 offers to negotiate a home improvement contract with an owner, or (B)  
364 solicits or otherwise endeavors to procure by any means whatsoever,  
365 directly or indirectly, a home improvement contract from an owner on  
366 behalf of a contractor.

367 [(12)] (13) "Residential rental property" means a single family  
368 dwelling, a multifamily dwelling consisting of not more than six units,  
369 or a unit, common element or limited common element in a  
370 condominium, as defined in section 47-68a, or in a common interest  
371 community, as defined in section 47-202, which is not owner-occupied.

372 [(13)] (14) "Residential underground heating oil storage tank system"  
373 means an underground storage tank system used with or without  
374 ancillary components in connection with real property composed of  
375 four or less residential units.

376 [(14)] (15) "Underground storage tank system" means an  
377 underground tank or combination of tanks, with any underground  
378 pipes or ancillary equipment or containment systems connected to such  
379 tank or tanks, used to contain an accumulation of petroleum, which  
380 volume is ten per cent or more beneath the surface of the ground.

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

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

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

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

402 (3) No certificate shall be given to any person who holds such person  
403 out to be a contractor that performs removal or replacement of any  
404 residential underground heating oil storage tank system unless such  
405 contractor provides evidence, satisfactory to the commissioner, that the  
406 contractor (A) has completed a hazardous material training program  
407 approved by the Department of Energy and Environmental Protection,  
408 and (B) has presented evidence of liability insurance coverage of one  
409 million dollars.

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

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

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

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

439 (f) Certificates of registration for salespersons issued to retail  
440 establishments shall not be transferable or assignable, except a retail  
441 establishment that is a holder of a salesperson certificate may remove an  
442 existing or former employee currently listed on the certification of  
443 registration and replace such person with a new or existing employee  
444 employed as a salesperson. If the retail establishment adds or removes  
445 salespeople, there shall be no refund or supplemental payment. The fee  
446 shall be based on the number of salespeople at the time of each renewal.

447 (g) A contractor or salesperson shall update, through the  
448 department's online licensing system, any application information the  
449 contractor or salesperson has provided to the department pursuant to  
450 this section, including, but not limited to, any contact information,  
451 including, but not limited to, a change in business or trade name,  
452 residence address or business address for such contractor or

453 salesperson, insurance information or criminal history for such  
454 contractor or salesperson, or, if such contractor is a business entity,  
455 criminal histories of the individual owners of such business entity, not  
456 later than thirty days after any change in such information.

457 Sec. 5. Subsection (a) of section 20-421 of the general statutes is  
458 repealed and the following is substituted in lieu thereof (*Effective October*  
459 *1, 2026*):

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

463 (1) [the] The applicant's name [, residence address, business address,  
464 business telephone number and electronic mail address, (2) a] and trade  
465 name, if the applicant is a natural person, or business name, if the  
466 applicant is not a natural person;

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

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

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

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

480 (6) A statement, attested to by the applicant, disclosing whether (A)  
481 the applicant previously held a certificate of registration and, if the  
482 applicant previously held such a certificate, (i) the name by which such

483 applicant held such certificate, and (ii) whether such certificate was  
484 suspended or revoked, and (B) any judgment or arbitration award has  
485 been entered against the applicant;

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

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

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

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

500 (b) No person shall: (1) Present or attempt to present, as such person's  
501 own, the certificate of another, (2) knowingly give false evidence of a  
502 material nature to the commissioner for the purpose of procuring a  
503 certificate, (3) represent himself or herself falsely as, or impersonate, a  
504 registered home improvement contractor or salesman, (4) use or attempt  
505 to use a certificate which has expired or which has been suspended or  
506 revoked, (5) offer to make or make any home improvement without  
507 having a current certificate of registration under this chapter, (6)  
508 represent in any manner that such person's registration constitutes an  
509 endorsement of the quality of such person's workmanship or of such  
510 person's competency by the commissioner, (7) employ or allow any  
511 person to act as a salesman on such person's behalf unless such person  
512 is registered as a home improvement salesman, [or] (8) fail to refund the  
513 amount paid for a home improvement within ten days of a written  
514 request mailed or delivered to the contractor's last-known address, if no

515 substantial portion of the contracted work has been performed at the  
516 time of the request and more than thirty days has elapsed since the  
517 starting date specified in the written contract, or more than thirty days  
518 has elapsed since the date of the contract if such contract does not  
519 specify a starting date, or (9) engage in the activities of a public adjuster,  
520 as defined in section 38a-723, except that such person may (A) explain  
521 or discuss a bid for construction or repair of property loss or damage  
522 covered under a homeowners insurance policy with an owner of such  
523 property or the insurer of such property if such person does so for the  
524 usual and customary fees applicable to the work to be performed as  
525 stated in the home improvement contract between such person and the  
526 owner, or (B) except as provided in subsection (c) of section 20-429a, as  
527 amended by this act, advise or recommend to an owner of such property  
528 that such owner contact (i) such owner's insurer to determine whether  
529 any such bid for construction or repair of property loss or damage is  
530 covered under a homeowners insurance policy with such owner of such  
531 property, or (ii) a public adjuster, when appropriate.

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

534 (a) As used in this section:

535 (1) "Prohibited advertisement" means any verbal, written or  
536 electronic communication, including, but not limited to, door hangers,  
537 business cards, magnets, flyers, pamphlets or electronic mail, delivered  
538 by any contractor or salesman to encourage, instruct or induce an owner  
539 to contact such contractor, salesman or public adjuster, as defined in  
540 section 38a-723, to file an insurance claim for roof damage to such  
541 owner's property.

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

545 (b) No contractor or salesman shall solicit or otherwise endeavor to  
546 procure home improvement work or a home improvement contract

547 from an owner by notifying the owner that a contractor will commence  
548 home improvement work unless the owner instructs the contractor not  
549 to commence such work by a date determined by the contractor.

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

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

559 (2) Offer any rebate, gift, gift card, cash, coupon, waiver of any  
560 insurance deductible or any other item of value to any owner in  
561 exchange for (A) allowing such contractor to conduct an inspection of  
562 such owner's roof; and (B) such owner, contractor, salesman or any  
563 agent or employee of such contractor submitting an insurance claim for  
564 damage to such owner's roof; and

565 (3) Offer, deliver, receive or accept any compensation, inducement or  
566 reward for the referral of any home improvement work for which  
567 property insurance proceeds are payable. No payment by any owner or  
568 insurance company to such contractor for roofing services shall  
569 constitute compensation for such referral pursuant to the provisions of  
570 this subdivision.

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

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

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

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

614 (NEW) (d) Notwithstanding the provisions of section 42-134a, as  
615 amended by this act, a home improvement contract that requires the  
616 performance of emergency restoration services may include a provision  
617 that allows the owner to waive such owner's right to cancel such  
618 contract not later than three business days after the owner and  
619 contractor signed such contract, provided such contract (1) is subject to  
620 the requirements of chapter 740, and (2) requires the performance of  
621 such emergency restoration services to remedy an urgent or emergency  
622 circumstance, as defined in section 1 of this act. Such owner may waive  
623 such right to cancel such contract by providing to the contractor a  
624 separate statement, dated and signed by the owner in electronic or  
625 paper form, that describes the urgent or emergency circumstance  
626 requiring immediate remedy and expressly acknowledges and waives  
627 such owner's right to cancel such contract not later than three business  
628 days after the owner and contractor signed such contract. For the  
629 purposes of this subsection, "emergency restoration services" means the  
630 performance of services designed to mitigate and restore damage to any  
631 land or building or that portion thereof which is used or designed to be  
632 used as a private residence, dwelling place or residential rental  
633 property. "Emergency restoration services" includes water extraction  
634 and drying, fire damage clean-up and soot removal, removal of  
635 damaged carpet and other flooring material, removal of damaged  
636 drywall and building materials, removal of smoke odors, sanitizing and  
637 preventive activities of mold or mold-containment matter and the repair  
638 or replacement of damaged materials, provided no structural, electrical,  
639 plumbing or air conditioning work is performed. "Emergency  
640 restoration services" does not include repair to or replacement of a roof.

641 Sec. 10. (NEW) (*Effective from passage*) (a) Not later than September 1,  
642 2026, the Insurance Commissioner shall (1) develop, and thereafter  
643 revise as necessary, a consumer bill of rights concerning insurance  
644 coverage for residential real properties in this state, including, but not  
645 limited to, insurance companies' use of third-party drones and satellite

646 imagery and any impact that such use of third-party drones and satellite  
 647 imagery may have concerning coverage, cancellation or renewal of  
 648 insurance policies, and (2) develop guidance for owners of residential  
 649 real property who may be experiencing insurance coverage issues  
 650 related to roofing damage following a weather event that results in such  
 651 damage.

652 (b) On and after October 1, 2026, the commissioner shall post the  
 653 consumer bill of rights and guidance described in subsection (a) of this  
 654 section on the 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

*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.*

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### **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.

**House "A"** alters the original bill by making procedural changes, specifying certain inclusions to the bill of rights, and requiring the Insurance Department to develop guidance regarding roof damage coverage issues for homeowners, resulting in no fiscal impact as the department has the expertise to meet the requirements. The amendment additionally makes procedural changes resulting in no fiscal impact to the state.

**OLR Bill Analysis****sHB 5263 (as amended by House "A")\*****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.**

TABLE OF CONTENTS:

[SUMMARY](#)[§ 1 — ASSIGNMENT OF POST-LOSS HOMEOWNERS AND COMMERCIAL INSURANCE BENEFITS](#)

Establishes specific requirements for any assignment agreement that assigns or transfers 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; provides for when an assignor (person who assigns or transfers the benefit) acts under an urgent or emergency circumstance to protect the property; makes any assignment agreement that fails to comply with these provisions void and unenforceable; requires insurers, starting in 2028, to annually submit post-loss-related data to the insurance commissioner; requires the commissioner to evaluate the data, report on it to the legislature, and adopt implementing regulations

[§ 2 — BUSINESS DAY DEFINED](#)

Specifies the days that are not considered business days under the Home Improvement Act

[§ 3 — INSURANCE DEDUCTIBLES AND HOME IMPROVEMENT CONTRACTS](#)

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

[§ 4 — CONTRACTOR'S AND SALESPERSON'S NAME AND ADDRESS CHANGES](#)

Requires home improvement contractors and salespersons to (1) notify DCP of any changes in their business name, trade name, or addresses and (2) present evidence of their registration certificate before holding themselves out as a contractor or salesperson

#### § 5 — CERTIFICATE OF REGISTRATION REQUIRED INFORMATION

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

#### § 6 — PUBLIC ADJUSTER ACTIVITIES PROHIBITED

Restricts home improvement contractors from conducting public adjuster activities, except for certain acts authorized under the bill

#### § 7 — PROHIBITED ADVERTISING AND SOLICITING

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

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

Establishes the circumstances under which a home improvement contract requiring urgent or emergency services may include a provision allowing the owner to waive the right to cancel

#### § 10 — CONSUMER BILL OF RIGHTS

Requires the insurance commissioner to (1) by September 1, 2026, develop a consumer bill of rights for homeowners in Connecticut and guidance on insurance coverage issues about weather-related roofing damage and (2) post them on the department's website starting on October 1, 2026

### **SUMMARY**

This bill generally (1) addresses matters related to post-loss benefit assignment agreements (those that assign or transfer 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 commissioner to develop a consumer bill of

rights and certain insurance coverage guidance for Connecticut homeowners (§ 10). It also makes technical and conforming changes. A section-by-section analysis follows.

\*House Amendment "A" (1) limits the bill's post-loss benefits provisions to those who assign or transfer the benefits, not those who acquire them; (2) modifies the assignee's requirements before submitting an insurance claim by requiring a sworn statement instead of an examination under oath; (3) removes email as an option for the assignee to provide notice of a cause of action against an insurer under the bill; (4) expands the definition of prohibited advertisement related to home improvement contracts to include certain verbal communications; (5) requires the homeowners' bill of rights to include the impact of insurance companies' use of drones and satellite imagery and deletes the requirement to state its principles and values; and (6) adds the provision that requires the commissioner to develop the roofing damage-related guidance.

EFFECTIVE DATE: October 1, 2026, except the provision on the post-loss assignment is effective January 1, 2027, and the ones on the consumer bill of rights and roofing damage guidance are effective upon passage.

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

*Establishes specific requirements for any assignment agreement that assigns or transfers 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; provides for when an assignor (person who assigns or transfers the benefit) acts under an urgent or emergency circumstance to protect the property; makes any assignment agreement that fails to comply with these provisions void and unenforceable; requires insurers, starting in 2028, to annually submit post-loss-related data to the insurance commissioner; requires the commissioner to evaluate the data, report on it to the legislature, and adopt implementing regulations*

The bill (1) establishes specific requirements for assignment agreements that assign or transfer 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

(person who assigns or transfers the benefit) 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 *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, 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.

### ***Rescission Notice***

Under the bill, the assignor may submit a signed rescission 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, if the assignee has not substantially performed the agreed upon post-loss services; or
3. at least 30 days after the agreement's execution, if 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 began, 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 a sworn statement and (b) agree to and participate in any alternative dispute resolution (ADR) proceedings under the applicable insurance policy's terms.

The sworn statement must include the (1) post-loss repair, inspection, remediation, or mitigation services performed on the property; (2) cost of the services, and (3) assignment agreement.

### ***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 for 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 or contractor does 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 the policy, and (2) specify the claimed damages in dispute, the amount the assignee claims, and a pre-suit 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 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.

#### ***Insurance Company's Pre-suit Settlement Offer***

Within 10 business days of receiving the notice described above, the insurance company must make a pre-suit 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 for 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 assignment agreements executed in keeping with the bill.

Starting by March 1, 2028, the commissioner must annually report to the Insurance and Real Estate 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 to implement the bill's provisions on the assignment of post-loss homeowners and commercial insurance benefits.

### **§ 2 — BUSINESS DAY DEFINED**

*Specifies the days that are not considered business days under the Home Improvement Act*

The bill 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.

### **§ 3 — INSURANCE DEDUCTIBLES AND HOME IMPROVEMENT CONTRACTS**

*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*

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**

*Requires home improvement contractors and salespersons to (1) notify DCP of any changes in their business name, trade name, or addresses and (2) present evidence of their registration certificate before holding themselves out as a contractor or salesperson*

By law, a Department of Consumer Protection (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 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**

*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*

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's 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**

*Restricts home improvement contractors from conducting public adjuster activities, except for certain acts authorized under the bill*

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**

*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*

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 verbal, 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 making 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 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**

*Establishes the circumstances under which a home improvement contract requiring urgent or emergency services may include a provision allowing the owner to waive the right to cancel*

### **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 or 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 that describes the circumstance requiring immediate remedy and 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**

*Requires the insurance commissioner to (1) by September 1, 2026, develop a consumer bill of rights for homeowners in Connecticut and guidance on insurance coverage issues about weather-related roofing damage and (2) post them on the department's website starting on October 1, 2026*

The bill requires the insurance commissioner, by September 1, 2026, to develop:

1. a consumer bill of rights regarding insurance coverage for residential real property in Connecticut, and revise it as necessary after that; and
2. guidance for residential real property owners who may be experiencing insurance coverage issues related to roofing damage caused by a weather event.

The commissioner must post the consumer bill of rights and the

guidance on the department’s website starting on October 1, 2026.

The bill of rights must at least cover insurance companies’ use of third-party drones and satellite imagery and any impact their use may have on insurance policy coverage, cancellation, or renewal.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/12/2026)