



General Assembly

January Session, 2025

Raised Bill No. 6967

LCO No. 4631



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

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

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

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

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

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

11 (3) "Assignor" means any person who assigns, transfers or acquires
12 any post-loss benefit under a homeowners insurance policy or

13 commercial property insurance policy to an assignee through an
14 assignment agreement;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

136 commenced, whichever is earlier.

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

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

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

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

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

163 (e) Notwithstanding any provision of title 38a of the general statutes,
164 no assignment agreement executed in accordance with the provisions of
165 this section shall transfer or create any authority to negotiate, adjust or

166 effect the settlement of any portion of any insurance claim to any person
167 or entity not authorized to negotiate, adjust or effect such settlement of
168 such insurance claim or take any action on behalf of any assignor or
169 public adjuster, as defined in section 38a-723 of the general statutes.

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

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

198 (g) (1) No assignee of an assignment agreement shall have a cause of
199 action against the homeowners or commercial property insurance
200 company providing coverage for the residential or commercial property
201 for payment of an insurance claim arising from post-loss repair,
202 inspection, remediation or mitigation services performed on the
203 assignor's, or named insured's, residential or commercial property,
204 unless such assignee provides written notice of:

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

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

231 assignment agreement.

232 (2) Not later than ten business days after receiving such notice
233 pursuant to the provisions of subdivision (1) of this subsection, such
234 insurance company shall submit a presuit settlement offer to such
235 assignee or require such assignee to participate in an appraisal process,
236 as provided in chapter 700 of the general statutes, or any other
237 alternative dispute resolution pursuant to the terms of the applicable
238 homeowners or commercial property insurance policy. Such insurance
239 company shall investigate such assignee's claimed damages, in
240 accordance with the provisions of title 38a of the general statutes.

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

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

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

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

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

261 (2) Not later than March 1, 2026, and annually thereafter, said
262 commissioner shall submit a report, in accordance with the provisions
263 of section 11-4a of the general statutes, to the joint standing committee
264 of the General Assembly having cognizance of matters relating to
265 insurance. Such report shall include an evaluation of the data submitted
266 to the commissioner pursuant to subdivision (1) of this subsection for
267 the immediately preceding calendar year, including an evaluation of
268 claims adjustments, settlement time frames and claims and litigation
269 trends, categorized by claims litigated, claims settled prior to litigation
270 and loss adjustment expenses.

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

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

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

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

280 [(1)] (2) "Business entity" means an association, corporation, limited
281 liability company, limited liability partnership or partnership.

282 [(2)] (3) "Certificate" means a certificate of registration issued under
283 section 20-422.

284 [(3)] (4) "Commissioner" means (A) the Commissioner of Consumer
285 Protection, and (B) any person designated by the commissioner to
286 administer and enforce this chapter.

287 [(4)] (5) (A) "Contractor" means any person who (i) owns and operates
288 a home improvement business, or (ii) undertakes, offers to undertake or
289 agrees to perform any home improvement.

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

294 [(5)] (6) (A) "Home improvement" includes, but is not limited to, the
295 repair, replacement, remodeling, alteration, conversion, modernization,
296 improvement, rehabilitation or sandblasting of, or addition to, any land
297 or building or that portion thereof which is used or designed to be used
298 as a private residence, dwelling place or residential rental property, or
299 the construction, replacement, installation or improvement of alarm
300 systems not requiring electrical work, as defined in section 20-330,
301 driveways, swimming pools, porches, garages, roofs, siding, insulation,
302 sunrooms, flooring, patios, landscaping, fences, doors and windows,
303 waterproofing, water, fire or storm restoration or mold remediation in
304 connection with such land or building or that portion thereof which is
305 used or designed to be used as a private residence, dwelling place or
306 residential rental property or the removal or replacement of a residential
307 underground heating oil storage tank system, in which the total price
308 for all work agreed upon between the contractor and owner or proposed
309 or offered by the contractor exceeds two hundred dollars.

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

323 [(6)] (7) "Home improvement contract" means an agreement between
324 a contractor and an owner for the performance of a home improvement.

325 [(7)] (8) "Owner" means a person who owns or resides in a private
326 residence and includes any agent thereof, including, but not limited to,
327 a condominium association. An owner of a private residence shall not
328 be required to reside in such residence to be deemed an owner under
329 this subdivision.

330 [(8)] (9) "Person" means an individual or a business entity.

331 [(9)] (10) "Private residence" means a single family dwelling, a
332 multifamily dwelling consisting of not more than six units, or a unit,
333 common element or limited common element in a condominium, as
334 defined in section 47-68a, or in a common interest community, as
335 defined in section 47-202, or any number of condominium units for
336 which a condominium association acts as an agent for such unit owners.

337 [(10)] (11) "Proprietor" means an individual who (A) has an
338 ownership interest in a business entity that holds or has held a certificate
339 of registration issued under this chapter, and (B) has been found by a
340 court of competent jurisdiction to have violated any provision of this
341 chapter related to the conduct of a business entity holding a certificate
342 or that has held a certificate issued under this chapter within the two
343 years of the effective date of entering into a contract with an owner
344 harmed by the actions of such individual or business entity.

345 [(11)] (12) "Salesman" means any individual who (A) negotiates or
346 offers to negotiate a home improvement contract with an owner, or (B)
347 solicits or otherwise endeavors to procure by any means whatsoever,
348 directly or indirectly, a home improvement contract from an owner on
349 behalf of a contractor.

350 [(12)] (13) "Residential rental property" means a single family
351 dwelling, a multifamily dwelling consisting of not more than six units,
352 or a unit, common element or limited common element in a

353 condominium, as defined in section 47-68a, or in a common interest
354 community, as defined in section 47-202, which is not owner-occupied.

355 [(13)] (14) "Residential underground heating oil storage tank system"
356 means an underground storage tank system used with or without
357 ancillary components in connection with real property composed of
358 four or less residential units.

359 [(14)] (15) "Underground storage tank system" means an
360 underground tank or combination of tanks, with any underground
361 pipes or ancillary equipment or containment systems connected to such
362 tank or tanks, used to contain an accumulation of petroleum, which
363 volume is ten per cent or more beneath the surface of the ground.

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

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

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

380 (2) No certificate shall be given to any person who holds such person
381 out to be a contractor that performs radon mitigation unless such
382 contractor provides evidence, satisfactory to the commissioner, that the

383 contractor is certified as a radon mitigator by the National Radon Safety
384 Board or the National Environmental Health Association.

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

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

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

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

402 (e) A retail establishment, which is a business that operates from a
403 fixed location where goods or services are offered for sale, may apply
404 annually for a certificate of registration as a salesperson on behalf of its
405 employees if it employs or otherwise compensates one or more
406 salespersons whose solicitation, negotiation and completion of sales are
407 conducted entirely at the retail establishment or virtually or by phone.
408 The retail establishment shall (1) apply for such registration on a form
409 prescribed by the commissioner, (2) maintain a list of all salespersons
410 intended to be covered by the retailer's certificate of registration, and (3)
411 pay a fee equal to the amount that would be due if each person were to
412 apply individually for a certificate of registration, including the amount
413 that would be due under the guaranty fund. The list of salespersons

414 covered by the retailer's certificate of registration shall be made
415 available to the department upon request. If any person covered by the
416 retail establishment's salesperson certificate of registration conducts
417 activity covered by the salesperson credential at a place other than the
418 retail establishment or virtually or by phone, such person shall apply for
419 an individual salesperson certificate of registration using the form
420 prescribed by the commissioner for such registrations and shall pay the
421 corresponding application fee.

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

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

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

443 (a) Any person seeking a certificate of registration shall apply to the
444 commissioner online, on a form provided by the commissioner. The

445 application shall include, but need not be limited to:

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

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

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

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

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

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

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

472 (8) Proof that the applicant has obtained (A) general liability
473 insurance coverage in an amount not less than twenty thousand dollars,

474 demonstrated by providing the policy number and business name of the
475 insurance provider, and (B) any other insurance coverage required by
476 law; and [(4) such]

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

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

481 (b) No person shall: (1) Present or attempt to present, as such person's
482 own, the certificate of another, (2) knowingly give false evidence of a
483 material nature to the commissioner for the purpose of procuring a
484 certificate, (3) represent himself or herself falsely as, or impersonate, a
485 registered home improvement contractor or salesman, (4) use or attempt
486 to use a certificate which has expired or which has been suspended or
487 revoked, (5) offer to make or make any home improvement without
488 having a current certificate of registration under this chapter, (6)
489 represent in any manner that such person's registration constitutes an
490 endorsement of the quality of such person's workmanship or of such
491 person's competency by the commissioner, (7) employ or allow any
492 person to act as a salesman on such person's behalf unless such person
493 is registered as a home improvement salesman, [or] (8) fail to refund the
494 amount paid for a home improvement within ten days of a written
495 request mailed or delivered to the contractor's last-known address, if no
496 substantial portion of the contracted work has been performed at the
497 time of the request and more than thirty days has elapsed since the
498 starting date specified in the written contract, or more than thirty days
499 has elapsed since the date of the contract if such contract does not
500 specify a starting date, or (9) engage in the activities of a public adjuster,
501 as defined in section 38a-723, except that such person may (A) explain
502 or discuss a bid for construction or repair of property loss or damage
503 covered under a homeowners insurance policy with an owner of such
504 property or the insurer of such property if such person does so for the
505 usual and customary fees applicable to the work to be performed as

506 stated in the home improvement contract between such person and the
507 owner, or (B) except as provided in subsection (c) of section 20-429a, as
508 amended by this act, recommend to an owner of such property that such
509 owner contact such owner's insurer to determine whether any such bid
510 for construction or repair of property loss or damage is covered under a
511 homeowners insurance policy with such owner of such property.

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

514 (a) (1) (A) No home improvement contract shall be valid or
515 enforceable against an owner unless it: (i) Is in writing, (ii) is signed by
516 the owner and the contractor, (iii) contains the entire agreement
517 between the owner and the contractor, (iv) contains the date of the
518 transaction, (v) contains the name and address of the contractor and the
519 contractor's registration number, (vi) contains a notice of the owner's
520 cancellation rights in accordance with the provisions of chapter 740, (vii)
521 contains a starting date and completion date, (viii) is entered into by a
522 registered salesman or registered contractor, and (ix) includes a
523 provision disclosing each corporation, limited liability company,
524 partnership, sole proprietorship or other legal entity, which is or has
525 been a home improvement contractor pursuant to the provisions of this
526 chapter or a new home construction contractor pursuant to the
527 provisions of chapter 399a, in which the owner or owners of the home
528 improvement contractor are or have been a shareholder, member,
529 partner, or owner during the previous five years.

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

534 "You may cancel this contract not later than midnight on the third
535 business day after both you and the contractor signed this contract or
536 you received notice from your insurer denying any part of your claim

537 for the cost of the home improvements to be performed pursuant to this
538 contract, whichever last occurs. Please see the attached notice of
539 cancellation forms for additional information."

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

543 "NOTICE OF CANCELLATION

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

560 I HEREBY CANCEL THIS TRANSACTION:

561 Signature

562 (Insert date)"

563 [(B)] (C) Each change in the terms and conditions of a contract shall
564 be in writing and shall be signed by the owner and contractor, except
565 that the commissioner may, by regulation, dispense with the necessity

566 for complying with the requirement that each change in a home
567 improvement contract shall be in writing and signed by the owner and
568 contractor.

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

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

581 (c) The contractor shall provide and deliver to the owner, without
582 charge, a completed copy of the home improvement contract at the time
583 such contract is executed.

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

586 (e) Each home improvement contract entered into shall be considered
587 a home solicitation sale pursuant to chapter 740 and shall be subject to
588 the requirements of said chapter regardless of the location of the
589 transaction or of the signing of the contract. Each home improvement
590 contract in which the owner agrees to repay the contractor an amount
591 loaned or advanced to the owner by the contractor for the purposes of
592 paying for the goods and services provided in such contract, or which
593 contains a finance charge, (1) shall set forth the information required to
594 be disclosed pursuant to the Truth-in-Lending Act, sections 36a-675 to
595 36a-685, inclusive, (2) shall allow the owner to pay off in advance the
596 full amount due and obtain a partial refund of any unearned finance

597 charge, and (3) may contain a finance charge set at a rate of not more
598 than the rate allowed for loans pursuant to section 37-4. As used in this
599 subsection, "finance charge" means the amount in excess of the cash
600 price for goods and services under the home improvement contract to
601 be paid by the owner for the privilege of paying the contract price in
602 installments over a period of time.

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

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

611 (a) As used in this section:

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

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

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

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

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

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

642 (3) Offer, deliver, receive or accept any compensation, inducement or
643 reward for the referral of any home improvement work for which
644 property insurance proceeds are payable. No payment by any owner or
645 insurance company to such contractor for roofing services shall
646 constitute compensation for such referral pursuant to the provisions of
647 this subdivision.

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

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

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

Statement of Purpose:

To: (1) Establish a process for the assignment of post-loss benefits under homeowners and commercial property insurance policies; (2) modify the required terms of home improvement contracts; (3) preclude home improvement contractors from engaging in certain conduct to induce owners to enter into home improvement contracts; (4) require home improvement contractors to notify the commissioner regarding changes in their business names, trade names and addresses; (5) require home improvement contractors to maintain additional types of insurance coverage; (6) expand the required content of the application for a certificate of registration as a home improvement contractor; and (7) modify the grounds on which the Commissioner of Consumer Protection may (A) reprimand or place a home improvement contractor or salesperson on probation, or (B) revoke, suspend, or refuse to issue or renew a certificate of registration as a home improvement contractor or salesperson.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]