



Senate

General Assembly

File No. 477

February Session, 2026

Substitute Senate Bill No. 453

Senate, April 7, 2026

The Committee on Environment reported through SEN. LOPES of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A CLIMATE CHANGE RELATED SURCHARGE ON CERTAIN INSURANCE POLICIES.

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) On and after January 1,
2 2027, any person that issues or renews any property or casualty
3 insurance policy in this state, including, but not limited to, any policy of
4 a captive insurance company, for any fossil fuel infrastructure that
5 facilitates or expands the processing, exporting or transporting of oil,
6 methane gas or coal, other than home fuel delivery vehicles, or any other
7 infrastructure related to such activities, including, but not limited to,
8 wells, pipelines, terminals, refineries or utility-scale generation facilities,
9 shall be assessed a five per cent surcharge for the issuance or renewal of
10 any such policy. Any such surcharge shall be transmitted to the
11 Insurance Commissioner for deposit by said commissioner into the
12 climate resilience account described in subsection (b) of this section.

13 (b) The Commissioner of Energy and Environmental Protection shall
14 establish an account to be known as the "climate resilience account".

15 Such account may receive any funds required to be deposited in such
 16 account, including, but not limited to, any surcharge described in
 17 subsection (a) of this section and any other funds, gift or donation
 18 appropriated for or made to such account for the purposes described in
 19 subsection (c) of this section. The funds in such account shall not lapse
 20 at the end of any fiscal year and shall be available for the purposes
 21 described in subsection (c) of this section.

22 (c) The Insurance Commissioner shall ensure the deposit of any such
 23 surcharge described in subsection (a) of this section to the climate
 24 resilience account established by the Commissioner of Energy and
 25 Environmental Protection. The Commissioner of Energy and
 26 Environmental Protection shall prescribe the allocation of such funds for
 27 the purpose of disseminating flood risk data to communities throughout
 28 the state, establishing a public awareness effort in communities with a
 29 high risk of such flooding and providing grants to such communities for
 30 the construction or installation of climate-resilient infrastructure that is
 31 designed to mitigate such risk of flooding in such communities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section

Statement of Legislative Commissioners:

In Subsec. (b), reference to the General Fund was deleted, in accordance with standard drafting conventions.

ENV *Joint Favorable Subst. -LCO*

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

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Insurance Dept. ¹	IF - Cost	120,000	157,000

Note: IF=Insurance Fund

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
Various Municipalities	Potential Revenue Gain	None	Potential

Explanation

The bill results in a cost to the Insurance Fund of \$120,000 in FY 27 and \$157,000 annually thereafter associated with one new position for an administrative officer. The bill creates a nonlapsing climate resilience account and requires the Insurance Department to collect a 5% surcharge on fossil fuel infrastructure insurance policies for deposit into the account, necessitating an additional position. The bill may also result in a potential revenue gain to municipalities for climate resilience grants from the account, beginning in FY 28.

The annualized cost for the new Insurance Department position is anticipated to be \$84,000 in salary and \$73,000 in fringe benefits

¹The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 85.92% of payroll in FY 27.

beginning in FY 28. Partial-year personnel costs in FY 27 are anticipated to be \$63,000 and \$55,000 respectively, reflecting an October 1, 2026 start date. Other expenses for the new position are expected to total \$2,000 in FY 27 for a laptop and related supplies.

The bill requires the Commissioner of the Department of Energy and Environmental Protection to establish the account and administer the disbursement of funds, resulting in no cost to the state, as the department has sufficient resources to meet the bill's requirements.

To the extent that the account provides grant funding to municipalities for climate resilience infrastructure, the bill may result in a revenue gain to municipalities that apply for the funding, beginning in FY 28. The magnitude and timing of any revenue gain is dependent on the funds disbursed.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and grants disbursed from the account.

OLR Bill Analysis**sSB 453****AN ACT CONCERNING A CLIMATE CHANGE RELATED SURCHARGE ON CERTAIN INSURANCE POLICIES.****SUMMARY**

Beginning January 1, 2027, this bill creates a 5% surcharge on new or renewed property or casualty insurance policies (including captive insurance policies) in Connecticut for fossil fuel infrastructure that facilitates or expands oil, methane gas, or coal processing, exporting, or transporting. This includes infrastructure related to wells, pipelines, terminals, refineries, or utility-scale generation facilities. The bill exempts home fuel delivery vehicles from this surcharge.

The bill also requires the Department of Energy and Environmental Protection commissioner to create a nonlapsing “climate resilience account” and allocate funds from this account for (1) disseminating flood risk data to communities across Connecticut, (2) creating a public awareness effort in communities with high flood risk, and (3) giving grants to these communities to construct or install climate-resilient infrastructure designed to mitigate flood risk.

Any surcharge collected from a fossil fuel infrastructure insurance policy must be given to the insurance commissioner for deposit into the climate resilience account. The bill also allows the account to receive any other funds, gifts, or donations appropriated or made for the account’s purposes related to flood risk.

EFFECTIVE DATE: October 1, 2026

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 23 Nay 11 (03/18/2026)