

Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No: HB-5263 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT CONCERNING THE ASSIGNMENT OF POST-LOSS HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE BENEFITS, CONSUMER BILL OF RIGHTS AND REVISING DISCLOSURE REQUIREMENTS FOR HOME

Title: IMPROVEMENT CONTRACTORS AND SALESPERSONS.

Vote Date: 3/12/2026

Vote Action: Joint Favorable Substitute

PH Date: 2/24/2026

File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

This bill establishes a regulatory framework for the assignment of post-loss insurance benefits (AOB) to ensure greater transparency and accountability in the insurance claims process. It sets clear requirements for agreements, claim handling, and the roles of policyholders and contractors, while also requiring insurers to report data for state oversight. The bill also strengthens consumer protections in home improvement contracting by expanding licensing requirements and prohibiting deceptive practices, such as offering incentives to induce contracts or insurance claims. Overall, its purpose is to protect homeowners, prevent abuse in insurance-related repairs, and make the claims and contracting process more transparent and fairer.

SUBSTITUTE LANGUAGE (IF APPLICABLE):

The substitute language was added to adjust the bill's cancellation requirements to better account for emergency situations.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

The Committee Received joint testimony from the following:

The American Property and Casualty Insurance Association, Kristina Baldwin, Esq., Vice President of the American Property and Casualty Insurance Association. The Insurance Association of Connecticut, Eric George, Esq., President of the Insurance Association of Connecticut. The National Association of Mutual Insurance Companies, Sean McLaughlin, Regional Vice President, State Affairs Northeast of the National Association of Mutual Insurance Companies. The National Insurance Crime Bureau, Howard Handler, Senior Director, Office of Strategy, Policy, and Government Affairs, National Insurance Crime Bureau: Supports many parts of the bill, including new requirements for the use of assignment of benefits (AOB) between home improvement contractors and property owners, to stop contractors from submitting fraudulently inflated claims to insurance companies. They express concern over expensive lawsuits hurting the consumer in the form of higher homeowners' insurance rates. Overall, they urge this bill provides measures to protect consumers and reduce litigation.

Deb Hoar: Supports H.B. No. 5263.

Restoration Industry Association, Vince Scarfo, Director of Advocacy & Government Affairs: supports many parts of the bill, including the amendment of Sections 1 - 8 of the bill to reflect the agreed-upon amendments reached by the parties last session. He strongly supports this bill as a vital consumer protection measure. He states to truly protect property owners, it is critical that water, fire, and emergency service restorers are recognized with our own distinct trade identification. He recognizes the importance of aggressively pursuing a unique NAICS code specifically for their trade. Stating that lumping highly technical emergency mitigation experts into the same regulatory bucket as standard home improvement contractors inadvertently subjects time-sensitive disaster response to rules meant for elective construction He states the importance of specialized trade identification for time sensitive and emergency cases and strongly urges the amendments.

Big I Connecticut Travis Wattie, MPA, CPU, Assistant Vice President of Government Relations: Supports many aspects of this bill, he states this bill would establish important consumer and insurance industry protections against roofing companies and home contractors who may use assignment of benefit contracts to take advantage of unsuspecting property owners. He expresses H.B. 5263 would help protect homeowners and curb frivolous litigation by establishing various rights and notifications for property owners; requiring AOB's to be in writing and shared with insurance carriers; and allow homeowners to cancel such agreements within certain timeframes, among other important provisions.

Connecticut Realtors: support the bill because it protects homeowners by increasing transparency and preventing predatory contractor practices.

NATURE AND SOURCES OF OPPOSITION:

Carrier Group, Inc. Johnny Carrier, P.E., Owner and Vice President of Carrier Group, Inc.: Opposes the passage of this bill. He states small business owners will experience significant burdens including legal, administrative, and compliance burdens. He states the bill will increase overhead costs, additional paperwork, liability exposure, and complicate with

time sensitive repairs. He states this bill will discourage contractors from taking on insurance related repair work and added costs and delays will ultimately be passed on homeowners.

Connecticut Bankers Association, Tom Mongellow, Art Corey, Fritz Conway: opposes section 1 of H.B. 5263. They urge the committee to amend section 1 of H.B. 5263 to require that any notice required to be delivered to the insurance company - including delivery of an executed assignment agreement and any pre-suit notice or settlement communication - also be delivered to any mortgagee or loss payee identified in the policy. They state, with this amendment, Section 1 would provide a balanced framework that protects policyholders, insurers, and mortgage lenders alike.

Home Builders & Remodeling Association of Connecticut, Inc., Jim Perras, CEO: Opposes H.B. 5263. He states H.B. 5263 imposes an extensive and prescriptive new regulatory framework without a demonstrated need and before existing laws and enforcement tools have been shown to be inadequate. He states the burden should rest with the administering agencies and proponents of the bill to clearly demonstrate that existing consumer protection, insurance, and contractor statutes are failing to protect homeowners. He states this bill will delay post-loss repairs and increase costs.

Connecticut Association of Public Insurance, Chris Baxendale, Mindi Cabella, Mark Dillman, Kyle Ohse: opposes HB 5263 primarily because they believe it would restrict policyholders' ability to assign post-loss insurance benefits (AOB), which in turn could limit access to licensed public adjusters who advocate on behalf of consumers during the claims process. They argue that this restriction would reduce consumer choice and weaken policyholder protections, making it harder for individuals to navigate complex insurance claims. Additionally, CAPIA is concerned the bill could tilt the claims process in favor of insurers or contractors, potentially leading to delays, confusion, or less favorable outcomes for consumers.

House of Hanbury Builders, INC., Alan Hanbury, Owner: Alan Hanbury opposes HB 5263 because he believes it would impose burdensome restrictions on contractors using assignment of benefits (AOB), making it harder for them to work efficiently with homeowners on insurance-related repairs. He is concerned the bill would slow down the repair process, add administrative complexity, and negatively impact small businesses, ultimately delaying recovery for property owners after a loss.

National Lumber, INC., Sheila Leah, Chief Operating Officer: opposes the bill because it would delay repairs and add complexity to the insurance claims process, making it harder to complete work efficiently for homeowners.

Central Connecticut Construction Management, LLC, Kenneth Mita, Owner: opposes the bill because it would add restrictions and complexity to the assignment of benefits (AOB) process, making it harder for contractors to work efficiently and delaying repairs for homeowners.

HJ O'Keefe, LLC, John O'Keefe, Owner: opposes the bill because he believes it would slow down repairs and increase disputes during insurance claims, making an already stressful situation harder for homeowners and contractors.

Biller, Sachs, Robert, Attorneys at Law: opposes the bill because it would restrict the assignment of benefits (AOB) process and limit policyholders' ability to pursue or manage insurance claims effectively, potentially weakening consumer rights.

Reported by: Mackenzie Frenette

Date: 3/23/26