



General Assembly

Amendment

February Session, 2026

LCO No. 4527



Offered by:

REP. WOOD K., 29th Dist.

REP. PAVALOCK-D'AMATO, 77th Dist.

To: Subst. House Bill No. 5263

File No. 187

Cal. No. 153

"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."

1 Strike section 1 in its entirety and substitute the following in lieu
2 thereof:

3 "Section 1. (NEW) (*Effective January 1, 2027*) (a) As used in this section:

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

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

12 mitigation following a loss on such residential or commercial property,
13 provided such homeowners insurance policy or commercial property
14 insurance policy allows for the assignment, transfer or acquisition of
15 post-loss benefits. "Assignment agreement" does not include any fee
16 collected by a public adjuster licensed pursuant to chapter 701b of the
17 general statutes;

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

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

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

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

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

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

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

42 shall:

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

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

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

72 (ii) Deliver a copy of such executed assignment agreement pursuant
73 to the provisions of subparagraph (C)(i) of this subdivision by personal

74 service, overnight mail, return receipt requested, to the address
75 designated in the homeowners or commercial property insurance
76 policy, or mortgage, as applicable, or by electronic means evidenced by
77 a delivery receipt, to the electronic mail address designated in the
78 homeowners or commercial property insurance policy, or mortgage, as
79 applicable;

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

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

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

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

106 OR COMMERCIAL PROPERTY INSURANCE POLICY."; and

107 (G) Include a provision requiring such assignee to indemnify and
108 hold harmless such assignor from any liability, damages, losses or costs,
109 including, but not limited to, attorney's fees, arising from such post-loss
110 repair, inspection, remediation or mitigation services performed by
111 such assignee on the residential or commercial property pursuant to the
112 terms of such assignment agreement.

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

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

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

135 (c) If any insurance claim arises under an assignment agreement for
136 post-loss repair, inspection, remediation or mitigation services, the

137 assignee of such assignment agreement shall have the burden of
138 proving that the insurance company providing homeowners or
139 commercial property insurance coverage for the residential or
140 commercial property is not prejudiced by such assignee's failure to:

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

143 (2) Cooperate with any internal claims investigation conducted by
144 such insurance company;

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

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

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

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

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

162 (3) Not seek payment from such assignor in an amount that exceeds
163 the deductible under the applicable homeowners or commercial
164 property insurance policy, unless such assignor and assignee executed
165 a separate agreement for the performance of home improvement or

166 other services at such assignor's own expense; and

167 (4) Prior to submitting an insurance claim under the applicable
168 homeowners or commercial property insurance policy, and if required
169 by the homeowners or commercial property insurance company: (A)
170 Submit a sworn statement regarding (i) the post-loss repair, inspection,
171 remediation or mitigation services performed on such residential or
172 commercial property, (ii) the costs of such services, and (iii) the
173 assignment agreement; and (B) agree to, and participate in, any
174 alternative dispute resolution proceedings pursuant to the terms of the
175 applicable homeowners or commercial property insurance policy.

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

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

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

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

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

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

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

231 policy, assignor and insurance company not later than ten business days
232 before filing such cause of action and after such insurance company has
233 made a determination of coverage under such homeowners or
234 commercial property insurance policy; and

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

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

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

261 (1) Any assignment, transfer or conveyance of residential or
262 commercial property granted to a subsequent purchaser of such

263 residential or commercial property who holds an insurable interest in
264 such residential or commercial property following a loss;

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

271 (3) General liability coverage under a homeowners or commercial
272 property insurance policy.

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

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

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

293 In line 546, after "any" insert "verbal,"

294 Strike section 10 in its entirety and substitute the following in lieu
295 thereof:

296 "Sec. 10. (NEW) (*Effective from passage*) (a) Not later than September 1,
297 2026, the Insurance Commissioner shall (1) develop, and thereafter
298 revise as necessary, a consumer bill of rights concerning insurance
299 coverage for residential real properties in this state, including, but not
300 limited to, insurance companies' use of third-party drones and satellite
301 imagery and any impact that such use of third-party drones and satellite
302 imagery may have concerning coverage, cancellation or renewal of
303 insurance policies, and (2) develop guidance for owners of residential
304 real property who may be experiencing insurance coverage issues
305 related to roofing damage following a weather event that results in such
306 damage.

307 (b) On and after October 1, 2026, the commissioner shall post the
308 consumer bill of rights and guidance described in subsection (a) of this
309 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. 10	<i>from passage</i>	New section