



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

July 13, 2020

### **\*\*\* IMPORTANT NOTICE TO PROPERTY/CASUALTY HOMEOWNER INSURERS AND RATING AND ADVISORY ORGANIZATIONS\*\*\***

The Property Casualty Division recently completed a review of the Division's current coverage standards in Personal Lines Homeowners and identified a number of updates in light of current marketplace trends. In connection with its review, the Department solicited and received feedback from industry trade groups, consumer advocates, agents, and the CT Fair Housing Center which the Department has taken into account in its revised coverage standards for homeowners insurance.

This Notice shall serve as communication of the updated coverage standards that the Property/Casualty Division will implement for Personal Lines Homeowners effective for homeowners filings made on and after 07/13/2020. A revised SERFF checklist for use with Homeowners form filings is attached and will be posted on the Department's website, SERFF will also be updated to reflect this new checklist. The changes to the current Department standards are as follows:

Coverage	Current Division Coverage Standard	Revised Division Coverage Standard
<b>Section I – Property Coverage</b>		
Coverage B - Other Structures	Minimum -10% of Coverage A limit	Allow options to a minimum of 1% of Coverage A. Clearly visible disclosure on the Declarations Page must include the amount of the discount.
Coverage C – Personal Property	Minimum – 40% of Coverage A limit	Allow options to a minimum of 20% of Coverage A. Clearly visible disclosure on the Declarations Page must include the amount of the discount.
Coverage D - Loss of Use	Minimum – 30% of Coverage A limit	Allow options to a minimum of 10% of Coverage A. Clearly visible disclosure on the Declarations Page must include the amount of the discount.

Section I Special Limits of Liability	Categories and coverage limits must match the Insurance Services Homeowner program	Categories and coverage limits may vary by insurer.
<b>Section I – Additional Coverages</b>		
Landlords Furnishings	Minimum coverage limit - \$2,500	Coverage must be provided in the contract but limits can vary by insurer
Grave Markers	Minimum coverage limit - \$5,000	Coverage must be provided in the contract but limits can vary by insurer
Fire Department Service Charge	Minimum coverage limit -\$500	Coverage must be provided in the contract but limits can vary by insurer
<b>Section II – Liability Coverages</b>		
Coverage F- Medical Payments to Others	Minimum-\$5,000	Minimum \$1,000 option. Clear disclosure on Declarations Page with amount of discount required.
<b>Section II – Additional Coverages</b>		
Damage to Property of Others	Minimum-\$1,000	Some coverage must be provided but limits can vary.
First Aid Expenses	Covered	Coverage must be provided but limits are acceptable
Claim Expenses – Loss of Earnings	Minimum -\$250 per day	Coverage must be provided but limits can vary by insurer
Optional Coverage Endorsements	Minimums were required to mirror the ISO Homeowner program	ISO coverage minimums are not required.
Additional Replacement Cost Coverage	Minimum- 25% of Coverage A	Limits below 25% of Coverage A may be offered
Vacancy Deductible	No standard on consumer disclosure	Amount and percentage must be listed on the Declarations page
Construction Deductible	No standard on consumer disclosure	Amount and percentage must be listed on the Declarations page