

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2931-01
Bill No.: HB 877
Subject: Insurance - General; Insurance Dept.
Type: Original
Date: January 19, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Insurance Dedicated	\$0 to \$25,750	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to \$25,750	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance (INS)** state those insurers that use credit scoring currently will be required to make new form filings to comply with the proposal. Policy amendments must be submitted to the INS along with a \$50 filing fee. There are 225 homeowner companies and 290 private passenger auto companies. Not all companies may be required to amend filings, so the INS is estimating one-time revenues to the Insurance Dedicated Fund of \$0 to \$25,750 [(225+290 = 515) X \$50 filing fee].

This proposal will increase Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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INSURANCE DEDICATED FUND

Income - Department of Insurance

Policy form filing fees	<u>\$0 to \$25,750</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$0 to \$25,750</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal may impact small insurance companies. The estimated net effect is unknown.

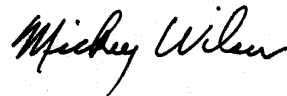
DESCRIPTION

This proposal prohibits the use of credit information by insurers in their underwriting of insurance contracts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance



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Director
January 19, 2004