

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2332S.05F
Bill No.: SS for HCS for HB Nos. 974, 57, 1032 & 1141
Subject: Department of Commerce and Insurance; Consumer Protection; Contracts and
Contractors; Employees - Employers; Evidence; Insurance - Automobile;
Insurance - General; Liability; Motor Vehicles; Telecommunications;
Transportation
Type: Original
Date: April 29, 2025

Bill Summary: This proposal enacts provisions relating to insurance modernization through standards governing digital systems.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 375.1400-375.1427 – Insurance Company Data Security Provisions

Officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Sections 379.1900-179.1970 – Peer-to-Peer Car Sharing Program

Officials from the **Department of Revenue (DOR)** assume this bill may conflict with Section 303.425 (SB 398, 2023) that will be implemented no later than December 31, 2027. The insurance that the peer-to-peer car sharing program will provide may cause those vehicles to be listed as uninsured when they are receiving coverage through the peer-to-peer car sharing program.

This legislation will likely lead to an increase in uninsured motorist accident cases as it will lead to more denials of coverage. DOR has only one part-time hearing officer to review these hearing requests. If this legislation causes an uptick in hearing requests, the department will request additional FTE through the appropriation process.

Oversight assumes because the potential for litigation is speculative, that the DOR will not incur significant cost related to this proposal. If a fiscal impact were to result, the DOR may request additional funding through the appropriation process.

Officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for

this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A fiscal impact to insurance companies licensed to write motor vehicle liability insurance in Missouri could be expected as a result of this proposal.

Establishing exclusive state standards for certain parties with regard to data security, investigation of cyber security and notification to Department of Commerce and Insurance, could have a fiscal impact on certain insurance companies as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

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SOURCES OF INFORMATION

Department of Commerce and Insurance

Department of Revenue

Office of the Secretary of State

Joint Committee on Administrative Rules



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April 29, 2025