

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4877S.01I
Bill No.: SB 852
Subject: Insurance - Automobile
Type: Original
Date: January 7, 2026

Bill Summary: This proposal prohibits the use of credit scores in determining automobile insurance rates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§375.918 – Prohibiting the Use of Credit Scores in Determining Automobile Insurance Rates

Officials from the **Department of Commerce and Insurance (DCI)** assume this legislation modifies 375.918 by adding a new section requiring that, starting August 28, 2026, insurers writing automobile insurance may not use information or any insurance credit score obtained directly or indirectly from a consumer reporting agency credit reports or scores to determine the rate charged for an automobile insurance contract. The Department will need to be mindful of this provision as it pertains to market conduct enforcement.

The department believes the costs of this bill can be absorbed within our current appropriations. However, should the cost exceed the anticipated amount, the department would request an increase to our FTE and/or appropriations as appropriate through the budget process.

Oversight notes that the above-mentioned agency has stated the cost of the proposal can be absorbed with current appropriations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct fiscal impact on insurance agencies that rely on credit reports or scores to determine rates could be expected 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.

SOURCES OF INFORMATION

Department of Commerce and Insurance



Julie Morff

Director

January 7, 2026



Jessica Harris

Assistant Director

January 7, 2026