

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2354-02
BILL NO.: SB 833
SUBJECT: Motor Vehicles; Insurance - Property; Insurance Department; Military Affairs
TYPE: Original
DATE: January 25, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance (INS)** assume minimal impact to the department. INS states that Market Regulation would incorporate review for compliance with this proposal into future examinations.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would be expected to be fiscally impacted to the extent of additional administrative requirements as a result of this proposal.

DESCRIPTION

This proposal would prohibit auto insurers from placing an applicant in a high-risk category simply because the applicant has not had prior automobile insurance coverage due to military service. An insurer, however, may place the applicant in a high-risk category if the applicant's driving record indicates he or she is a high risk. Any insurer violating this proposal would be guilty of an unfair trade practice.

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

L.R. NO. 2354-02
BILL NO. SB 833
PAGE 3 OF 3
January 25, 2000

SOURCES OF INFORMATION

Department of Insurance

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 25, 2000