

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2674-01
BILL NO.: SB 677
SUBJECT: Housing, Insurance - Property, Insurance Department
TYPE: Original
DATE: December 20, 1999

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

The Department of Insurance assumes that current appropriations and staff would be able to absorb the responsibilities for this proposal. However, if additional proposals are approved, the Department may need to request an increase in appropriations due to the combined effect of multiple proposals.

<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 that they would incur additional administrative costs due to the requirements of this proposal.

DESCRIPTION

This proposal prohibits insurers from refusing to insure an eligible person's interest in residential property. The proposal requires insurance agents to provide prospective insureds accurate premium quotations for their property and obligates the agent to submit the insured's application for insurance to the insurer. The proposal also requires insurers to explain to each prospective insured why it is canceling or refusing to renew a policy, and prohibits insurers from penalizing an individual agent because of the geographic location of the business written by the agent.

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

MPW:LR:OD:005 (9-94)

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Department of Insurance

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with some loops and flourishes.

Jeanne Jarrett, CPA
Director
December 20, 1999