

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4309-02
BILL NO.: SB 1005
SUBJECT: Automobile Insurance
TYPE: Original
DATE: March 20, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Insurance Dedicated Fund	\$13,700 to \$28,650	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$13,700 to \$28,650	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
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 of the **Department of Revenue, Department of Transportation, and the Office of Administration** assume there would be no fiscal impact on their agencies as a result of the proposal.

Officials of the **Department of Insurance** assume the proposal would increase the bodily injury per person amount from \$25,000 to \$50,000, and that insurers would be required to refile their policy forms to comply with this mandate. Officials assume there are approximately 274 private passenger insurers and 299 commercial auto insurers in Missouri (a total of 573). Some of these insurers may write both types of auto insurance and may therefore be counted twice. Department officials assume they would collect additional filing fees of \$50 per insurance policy/contract revision. They estimate additional revenues ranging from \$13,700 (274 times \$50) to \$28,650 (573 times \$50) in the Insurance Dedicated Fund. Officials assume current appropriations and staff would be able to absorb the work for implementation of the proposal. However, if additional proposal are approved during the legislative session, the department may need to request an increase in appropriations due to the combined effect of multiple proposals.

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

INSURANCE DEDICATED FUND

Income-Department of Insurance

Filing fees	<u>\$13,700 to</u>	\$0	\$0
	<u>\$28,650</u>		

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

FISCAL IMPACT - Small Business

Insurers classified as small businesses would incur \$50 fees for filing policy forms with the Department of Insurance.

L.R. NO. 4309-02
BILL NO. SB 1005
PAGE 3 OF 3
March 20, 2000

DESCRIPTION

The proposal would increase the minimum motor vehicle liability insurance amount from \$25,000 to \$50,000 for one person.

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
Department of Revenue
Department of Transportation
Office of Administration



Jeanne Jarrett, CPA
Director
March 20, 2000