

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0444-01  
Bill No.: SB 160  
Subject: Housing; Insurance - Property; Insurance Department  
Type: Original  
Date: December 27, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Insurance Dedicated	\$0 to \$23,250	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 TO \$23,250</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Insurance (INS)** state that their market conduct staff would include a proposal in review of company files during examinations. INS states the implementation of this proposal would be absorbed by existing staff. INS estimates maximum one-time revenues to the Insurance Dedicated Fund from form filings of \$0 to \$23,250.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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**INSURANCE DEDICATED FUND**

Revenue - Department of Insurance Form filing fees	\$0 to \$23,250	\$0	\$0
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<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>\$0 TO \$23,250</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**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**

Under this proposal, an insurer may not refuse to insure an eligible person's interest in residential property. The proposal would require 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 insurer would explain to each prospective insured why it is canceling or refusing to renew a policy. An insurer would not penalize an individual agent because of the geographic location of the business written by the agent.

DESCRIPTION (continued)

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



Jeanne Jarrett, CPA  
Director

December 27, 2000