

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6253
BILL NUMBER: SB 84

DATE PREPARED: Feb 26, 1999
BILL AMENDED: Feb 25, 1999

SUBJECT: Insurance Rates for Returning Drivers.

FISCAL ANALYST: Alan Gossard
PHONE NUMBER: 233-3546

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill prohibits a motor vehicle insurer from establishing a higher rate or a higher premium rate for an individual policyholder or applicant based on the fact that the individual has not been covered by motor vehicle insurance within the last three years. The bill also requires that the individual have a relatively clean operating record as maintained by the Bureau of Motor Vehicles.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: A violation of the provisions of this bill would be an unfair and deceptive act and practice in the business of insurance. As such the Commissioner of the Department of Insurance may, at his or her discretion, order one or more of the following: (1) Payment of a civil penalty of up to \$25,000 for each violation (but not to exceed \$100,000 in any 12 month period) unless the person knew or reasonably should have known that he was in violation of this chapter. In that case the penalty may be not more than \$50,000 for each violation (but not to exceed \$200,000 in any 12 month period). Civil penalties would be deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance

Local Agencies Affected:

Information Sources: