

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7870
BILL NUMBER: SB 501

DATE PREPARED: Jan 13, 1999
BILL AMENDED:

SUBJECT: Insurance Eligibility for Victims of Abuse.

FISCAL ANALYST: Alan Gossard
PHONE NUMBER: 233-3546

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits an insurer of an automobile insurance policy from refusing to issue coverage, terminating coverage, or restricting coverage to an individual based on that individual's history of or potential for being a victim of abuse. The bill prohibits the insurer of a homeowner's insurance policy from refusing to issue coverage, terminating coverage, or restricting coverage to an individual based on that individual's history of or potential for being a victim of abuse.

Effective Date: July 1, 1999.

Explanation of State Expenditures: 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 State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance

Local Agencies Affected:

Information Sources: