

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7844

BILL NUMBER: SB 559

DATE PREPARED: Mar 5, 1999

BILL AMENDED: Mar 4, 1999

SUBJECT: Various Insurance Matters.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that various insurers must appoint an individual or corporate resident of Indiana, or an authorized Indiana insurer, as the insurer's agent for service of process. The bill makes certain changes to the composition of the board of directors of the Indiana Insurance Guaranty Association.

The bill removes the requirement that information concerning premiums and losses, jury awards, court awards, and negotiated settlements be filed with the annual financial statement of insurers selling certain lines of insurance. It changes the requirements for annual information filing with the National Association of Insurance Commissioners (NAIC) from diskette to electronic filings. The bill also provides for the treatment of nonconforming policies.

The bill defines "exempt commercial policyholder" and "risk manager" and provides for the deregulation of exempt commercial policyholder insurance transactions. The bill provides that the commissioner will continue as agent of service of process until a different designation is received by the commissioner and makes conforming amendments.

Effective Date: (Amended) Upon Passage; July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) This bill exempts certain insurers from filing rate and form information with the Department of Insurance. Exempt companies will still pay the \$35 filing fee with the Department of Insurance. These provisions should have little or no impact on fee revenue to the Department of Insurance.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance

Local Agencies Affected:

Information Sources: Pat Holden, American Insurance Institute, (847) 470-1070.
Raul Allegue, Traveler's Insurance, (860) 277-4738.
Liz Carroll, Indiana Department of Insurance, 232-2406.