

**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: May 3, 1999
BILL AMENDED: Apr 28, 1999

SUBJECT: Various Insurance Matters.

FISCAL ANALYST: Alan Gossard
PHONE NUMBER: 233-3546

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (CCR Amended) This bill makes several changes regarding various insurance matters. The bill:

- (1) Removes fees collected by the Commissioner of Insurance associated with the commissioner's duties as agent for service of process.
- (2) Provides that certain persons who are issued limited insurance representative's licenses without examination are exempt from continuing education requirements.
- (3) Provides that certain attorneys may meet insurance licensure continuing education requirements through continuing legal education courses.
- (4) Provides that various insurers must appoint an individual or a corporate resident of Indiana, or an authorized Indiana insurer, as the insurer's agent for service of process.
- (5) Makes certain changes to the composition of the Board of Directors of the Indiana Insurance Guaranty Association.
- (6) 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.
- (7) Changes the requirements for annual information filing with the National Association of Insurance Commissioners (NAIC) from diskette to electronic filings.
- (8) Defines "exempt commercial policyholder" and "risk manager" and requires certain disclosures by risk managers to exempt commercial policyholders. The bill also provides for the deregulation of exempt commercial policyholder insurance transactions.
- (9) Provides that the Commissioner will continue as agent for service of process until a different designation is received by the Commissioner.

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

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) (8) 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.