

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6638

BILL NUMBER: SB 415

NOTE PREPARED: Dec 18, 2010

BILL AMENDED:

SUBJECT: Life Insurance Disclosure.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires a life insurer to provide written notice to certain policy owners concerning the disposition of a life insurance policy. The bill makes a violation an unfair and deceptive act in the business of insurance.

Effective Date: July 1, 2011.

Explanation of State Expenditures: This bill adds failure to provide the required life insurance consumer disclosure notice to the insured to the definition of an unfair and deceptive act. To the extent life insurance providers are found to have engaged in unfair and deceptive acts, this bill will increase workload of the Department of Insurance to investigate allegations and provide adjudicative proceedings to determine if an unfair or deceptive act has been committed.

Explanation of State Revenues: If this bill increases the number of unfair and deceptive acts discovered by the Department of Insurance, revenue to the General Fund will increase from civil penalties paid by violators. The penalty for engaging in an unfair and deceptive act is one or more of the following: (1) a civil penalty between \$25,000 and \$50,000 for each act or violation and (2) revocation of a person's license or certificate of authority if they knowingly engaged in an unfair or deceptive act. Actual increases in revenue are unknown.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bill Brumbach, 232-9559.