

State Corporation Commission
2003 Fiscal Impact Statement
Revised

1. Bill Number HB2267

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Hargrove

3. Committee Passed Both Houses

4. Title Insurance; unfair settlement practices; recommending motor vehicle repair services; required disclosures

5. Summary/Purpose: Prohibits insurers (the law uses the term "person") from (i) failing to disclose that the insured or claimant is not obligated to use the repair or replacement facility or service or products recommended by the insurer or its representative ; and (ii) failing to disclose to the insured or claimant if the insurer or its representative has a financial interest in the recommended repair or replacement facility. The bill also provides that insurers are not required to pay more for motor vehicle repair services or products than the prevailing competitive charges for equivalent services or products charged by similar contractors or repair shops within a reasonable geographic or trade area of the repair facility. The bill further states that offering an explanation to the policyholder or claimant of the extent of the insurer's obligation under this section does not constitute a violation of the section. The provisions of the act will apply to motor vehicle insurance policies issued or renewed on or after July 1, 2003.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary : No

8. Fiscal implications : None

9. Specific agency or political subdivisions affected : State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments : Incorporates House Bill 2333 and House Bill 2737

Date: 03/03/03/V. Tompkins

cc: Secretary of Commerce and Trade