

**State Corporation Commission
2004 Fiscal Impact Statement**

1. Bill Number HB1342

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Morgan

3. Committee Passed Both Houses

4. Title Insurance; unfair settlement practices.

5. Summary/Purpose: Requires insurers to disclose to their insured or claimant, prior to being referred to a third party representative in connection with an automobile glass claim, that the third party is not the insurer and is acting on behalf of the insurer. The bill also requires that if the third party representative has a financial interest in the recommended repair or replacement facility, this information must be disclosed to the insured or claimant. The bill further clarifies that the notice of the right to choose must be made by the insurer or its third party representative whenever it recommends a repair or replacement facility or service.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

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

10. Technical amendment necessary: No

11. Other comments: House Bill 1342 was amended in House Commerce and Labor on February 5, 2004 to clarify that the disclosure of financial interest must be made not only by the insurer, but by the third party representative.

House Bill 1342 will improve the notice disclosures given to policyholders, helping to further educate consumers about their insurers and their options when they have a glass claim.

Date: 03/09/04/V. Tompkins

cc: Secretary of Commerce and Trade