

**State Corporation Commission
2004 Fiscal Impact Statement**

1. Bill Number HB553

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hargrove

3. House **Floor**

4. Title Insurance; rates.

5. Summary/Purpose: Allows insurers, other than workers' compensation insurers, to file with the Bureau of Insurance any rate or supplementary rating information that limits rate increases that would otherwise be applicable to renewal policies.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary: No

8. Fiscal implications: None on state agencies

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

10. Technical amendment necessary: No

11. Other comments: HB 553 allows an insurer the ability to limit the amount of premium increase an insured experiences (at renewal) by phasing in the full amount of increase over a specified period of time. The bill would allow insurers to minimize the "rate shock" that individual policyholders experience by phasing in the increase over several renewal cycles.

Date: 01/25/04 / V. Tompkins

cc: Secretary of Commerce and Trade