

**State Corporation Commission
2006 Fiscal Impact Statement**

1. Bill Number HB359

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Kilgore

3. Committee Commerce and Labor

4. Title Credit life insurance; age restrictions.

5. Summary/Purpose: Deletes the language that includes an age restriction for debtors that attain age 70 or over on the maturity date of the indebtedness on credit life insurance policies. Language is also deleted that allowed for the cessation of insurance or a reduction in the amount of insurance at age 70.

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 359 eliminates an insurer's right to terminate existing credit life insurance coverage because of an insured person's having attained age 70 at the maturity date of the indebtedness. The bill amends only the requirement as it applies to credit life insurance, but does not amend a similar age restriction at age 65 applicable to credit accident and sickness insurance.

Since coverage may extend longer for certain individuals if House Bill 359 is enacted, there is a potential that credit life insurance rates may increase, although the overall impact on rates would be difficult to quantify.

Date: 01/15/06 / V. Tompkins

cc: Secretary of Health and Human Resources