

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: HB914

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Purkey

3. Committee: Passed Both Houses

4. Title: Nonrenewal of liability, fire, and motor vehicle insurance policies.

5. Summary/Purpose: Exempts an insurer from the termination notice requirements if an affiliated insurer has manifested its willingness to provide coverage at a lower premium than the expiring policy. The new policy must have types and limits of coverage at least equal to those of the expiring policy unless the insured has requested a change in the coverage or limits. The insurer of the expiring policy is not required to send an offer of renewal, and the policy issued by the affiliated insurer will be deemed to be a renewal policy.

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: Under existing law, if an insurer within a group of companies is willing to write a policy at a lower premium than another company within the group, the company charging the higher premium has to send a non-renewal notice. Such non-renewal notices has been confusing to consumers concerned that their coverage is being non-renewed when, in fact, the company is willing to write coverage in an affiliated company for a lower premium.

House Bill 914 is identical to Senate Bill 612 patroned by Senator Stolle.

Date: 02/28/08 / V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources