

State Corporation Commission 2023 Fiscal Impact Statement

1. Bill Number: SB1011

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Edwards

3. Committee: Passed both Houses

4. Title: Health insurance; tobacco surcharge.

5. Summary: Eliminates the authority of a health carrier to vary its premium rates based on tobacco use. Under current law, a health carrier may charge premium rates up to 1.5 times higher for a tobacco user than for a nonuser. The provisions of the bill apply to health benefit plans providing individual or small group health insurance coverage entered into, amended, extended, or renewed on or after January 1, 2024.

The State Corporation Commission shall prepare and deliver an annual report summarizing the reductions in premiums related to the elimination of the tobacco surcharge and the percentage of new enrollees in localities with above-average rates of tobacco use by January 1 of each year.

The provisions of the bill expire on January 1, 2026.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Final. See Item #8

8. Fiscal Implications: The State Corporation Commission Bureau of Insurance estimates that it can absorb the cost of the report required by Senate Bill 1011 within its current operating budget and without additional resources.

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

10. Technical amendment necessary: No

11. Other comments: House Bill 1375 is identical to Senate Bill 1011.

Date: 02/24/2023/V. Tompkins