

## State Corporation Commission 2012 Fiscal Impact Statement

**1. Bill Number:** HB523

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** Farrell

**3. Committee:** Passed Both Houses

**4. Title:** Fire insurance; earthquake coverage notice.

**5. Summary:** Fire insurance; earthquake coverage notice. Requires insurers issuing new or renewal policies of fire insurance or fire insurance in combination with other insurance coverages, which exclude coverage for damage caused by earthquake, to provide a written notice that explicitly states that (i) damage caused by earthquake is excluded and (ii) information regarding earthquake insurance is available from the insurer or insurance agent for an additional premium. The bill clarifies that if earthquake coverage is excluded, the notice must state that earthquake is excluded unless purchased by endorsement. The notice must also read that "earthquake coverage is excluded unless purchased by endorsement." Finally, the notice must, if such coverage is otherwise available from the insurer, state that information regarding such earthquake coverage is available from the insurer or the insurance agent. These provisions apply to policies issued or renewed on or after January 1, 2013.

**6. Budget amendment necessary:** No

**7.** No Fiscal Impact on the State Corporation Commission. Final.

**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:** The notice contemplated by House Bill 523 may encourage some consumers to purchase earthquake coverage. This bill is identical to Senate Bill 369.

Date: 2/27/12 V. Tompkins

cc: Secretary of Commerce and Trade  
Secretary of Health and Human Resources