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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/09

SPONSOR Leavell LAST UPDATED _____ HB _____

SHORT TITLE Require Electronic Filings for Insurers SB 114

ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.01			Nonrecurring	Insurance Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 114 proposes to amend certain sections of the Insurance Code, Section 59A-17-9 to provide electronic filing of insurance rates and policy forms. The Insurance Code requires insurers to file insurance rates and insurance forms with the Insurance Division of the Public Regulation Commission (PRC) prior to their use by the insurers. This bill is intended to eliminate voluminous paper filings received by the Insurance Division for insurance rates and insurance forms. If this bill passes, the Insurance Division will designate the NAIC's System for Electronic Rate and Form Filings ("SERFF") system as the electronic medium that carriers must

FISCAL IMPLICATIONS

Although this bill does not provide an appropriation, there may be a cost associated with implementing electronic filing. The PRC did not specify whether there is an existing electronic filing system, or whether there would be a need to purchase one. Any cost would be paid by the Insurance Fund.

PERFORMANCE IMPLICATIONS

SB114 will make all reviews of insurance rates and form filings a paperless review.

ADMINISTRATIVE IMPLICATIONS

The bill would eliminate the administrative burden of Insurance Division for document management and storage for insurance rate and form filings.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB15

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Insurance Division will continue to process paper filing of insurance rate and form filings and will continue to deal with the administrative burden of document management and storage for insurance rate and form filings

DL/svb