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FISCAL IMPACT REPORT

SPONSOR: Martinez DATE TYPED: 03/15/01 HB 118/aSCORC
 SHORT TITLE: No Additional Fee For First-Time Insured SB _____
 ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Public Regulation Commission

SUMMARY

Synopsis of SCORC Amendment

The amendment clarifies the bill by adding that a purchaser of automobile insurance cannot be charged higher rates “solely” because he is a first-time purchaser. He may be charged higher rates based on other factors.

Synopsis of Bill

HB 118 prohibits an insurer from charging an additional fee for automobile insurance to a first-time purchaser or a purchaser reinstating coverage.

Significant Issues

HB 118 might conflict with safe driver and renewal credit discounts. For example, a safe driver who has been with a company for several years might get a special discount on his automobile insurance. This discount would not be available to a first-time purchaser.

The Public Regulation Commission indicates that there might be a possible reduction in insurance availability and growth in the assigned risk pool.

ADMINISTRATIVE IMPLICATIONS

HB 118 may require some automobile insurers to refile their rates for approval by the Division of Insurance.

DW/pr:ar