

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7478**

**BILL NUMBER:** HB 1219

**NOTE PREPARED:** Jan 2, 2005

**BILL AMENDED:**

**SUBJECT:** Military Motor Vehicle Insurance Rating.

**FIRST AUTHOR:** Rep. Koch

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill prohibits an insurer from setting the premium rate for a motor vehicle insurance policy for a member of the armed forces at an amount higher than an amount charged for an individual who is not in the armed forces.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** Individuals suspected of violating the prohibition on unfair and deceptive acts or practices in the business of insurance may be subject to a hearing by the Commissioner of Insurance. Adding a prohibition may increase the number of violations for which a hearing may ensue. However, the Department of Insurance should be able to handle any additional expenses given its current budget and resources.

**Explanation of State Revenues:** As a result of the hearing, violators may be ordered to cease and desist from the unfair or deceptive act or practice, and the Commissioner may order the payment of a civil penalty of not more than \$25,000 for each act or violation. If the person knew or reasonably should have known that he or she was in violation, the penalty may be not more than \$50,000 for each act or violation. All civil penalties imposed and collected are deposited in the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.