

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6110

BILL NUMBER: SB 54

NOTE PREPARED: Oct 27, 2006

BILL AMENDED:

SUBJECT: Insurance Practices and Victims of Abuse.

FIRST AUTHOR: Sen. Lanane

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill imposes certain prohibitions on automobile insurers and homeowners insurers related to insuring an individual who is a victim or a potential victim of abuse. It makes the violation of a prohibition an unfair and deceptive act or practice in the business of insurance.

Effective Date: July 1, 2007.

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 will 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: Department of Insurance, 232-2406.

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