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FISCAL IMPACT REPORT

SPONSOR: Thompson DATE TYPED: 02/18/01 HB 695
SHORT TITLE: Uninsured Motorist Insurance Exclusions SB _____
ANALYST: Wilson

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Public Regulation Commission (PRC)

Duplicates SB 230

SUMMARY

Synopsis of Bill

HB 695 allows coverage for punitive damages to be excluded from uninsured motorist coverage.

Significant Issues

Currently uninsured motorist coverage protects an insured against damage caused by an uninsured motorist. The PRC claims that if the insured's insurance company is required to pay for punitive damages rather than the individual who caused the damages, it will cause insurance premiums to rise. In addition the individual who incurred the punitive damages will not be punished.

On the other hand, if HB 695 passes, an insured may not be able to collect punitive damages from the uninsured motorist.

ADMINISTRATIVE IMPLICATIONS

Automobile insurers will have to refile coverage forms.

POSSIBLE QUESTIONS

If HB 695 passes would the consumer have a choice of whether or not to elect to be insured for punitive damages under uninsured motorist coverage or would the insurance companies be able to simply not offer it?

DW/njw:ar