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## FISCAL IMPACT REPORT

SPONSOR: Payne DATE TYPED: 02/17/01 HB \_\_\_\_\_  
 SHORT TITLE: Uninsured Motorist Insurance Coverage SB 230  
 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)

### SUMMARY

#### Synopsis of Bill

SB 230 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 SB 230 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.

### DUPLICATION

HB 695 (Except for the short title)

### POSSIBLE QUESTIONS

**Senate Bill 230 -- Page 2**

If SB 230 passes, would the consumer have a choice about 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/ar