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FISCAL IMPACT REPORT

SPONSOR: Leavell DATE TYPED: 02/19/01 HB _____
 SHORT TITLE: Rental Car Insurance Limited Producer License SB 489/aSPAC
 ANALYST: Wilson

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Public Regulation Commission (PRC)
LFC files

SUMMARY

Synopsis of SPAC Amendment

The SPAC amendment is a technical correction which makes it clear that the rental car agent must maintain a list of its rental car endorsees rather than submit it to the superintendent of insurance.

Synopsis of Original Bill

SB 489 allows employees of rental car companies to act as insurance agents for the sale of certain types of insurance provided that the rental car company is licensed by the Superintendent of Insurance and meets other conditions.

Significant Issues

- Car companies that sell insurance are currently not licensed nor regulated.
- Insurance sold in conjunction with car rentals is often expensive and sometimes duplicates the renter's insurance. SB 489 requires sellers of insurance to make disclosures.

FISCAL IMPLICATIONS

There will be a small increase in revenues because of the car rental companies that will need to be licensed. The PRC is unable to quantify this amount.

ADMINISTRATIVE IMPLICATIONS

SB 489 will require that the PRC develop procedures for licensing rental car companies and monitoring compliance with SB 489.

MFV/njw:ar