

LEGISLATIVE FISCAL OFFICE
Fiscal Note

ACT 162

Fiscal Note On: **SB 27** SLS 16RS 126

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:



| | | |
|---|---------|-------------------------------|
| Date: June 21, 2016 | 9:39 AM | Author: SMITH |
| Dept./Agy.: Insurance | | Analyst: Willis Brewer |
| Subject: Adds authorized agents to offer or sell vehicle rental insur. | | |

INSURERS EN NO IMPACT See Note
Provides relative to motor vehicle rental insurers. (8/1/16)

Present law permits the commissioner to issue to a rental company, whether foreign or domestic, a limited license authorizing the limited licensee and its employees to offer or sell insurance in connection with the rental of vehicles.

Proposed law retains present law and adds authorized agents to those who may offer or sell insurance in connection with the rental of vehicles.

Proposed law defines authorized agents as an agent or representative authorized by the limited licensee to act individually on behalf, and under the supervision, of the limited licensee to offer or sell insurance in connection with an incidental to the rental of the vehicles.

| EXPENDITURES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

The motor vehicle rental insurer fee charged by the Department of Insurance (DOI) to rental companies is based on the number of available rental vehicles the rental company insures in accordance with RS 22:821. This proposed law adds "authorized agents" to the motor vehicle rental insurers limited license; therefore, there is no anticipated self-generated revenue impact to the DOI.

Additionally, the department does not foresee an increase in the number of companies that would seek to issue rental insurance as a result of the proposed law.

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|---|--|--------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

Evan Brasseaux

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