

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 370** HLS 18RS 829

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|  |                             |
|--|-----------------------------|
| <b>Date:</b> March 16, 2018 3:20 PM  | <b>Author:</b> TALBOT       |
| <b>Dept./Agy.:</b> LA Dept. of Insurance                                     | <b>Analyst:</b> Zachary Rau |
| <b>Subject:</b> Allows for electronic delivery of insurance coverage notices |                             |

INSURANCE

OR NO IMPACT See Note

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Authorizes electronic delivery of insurance coverage notices

Proposed law authorizes insurers to deliver, store, or present notices and documents in insurance transactions or proof of insurance coverage by electronic means pursuant to the LA Uniform Electronic Transactions Act. Proposed law requires parties receiving insurance documents by electronic means to consent electronically in a manner that demonstrates their ability to receive documents via electronic means. Proposed law requires insurers to provide parties clear and conspicuous statements including certain information prior to parties giving consent. Proposed law requires insurers to take measures to ensure that electronic delivery results in the receipt of documents by the consenting party. Proposed law applies for applicability of proposed law. Proposed law provides for withdrawal of consent by a party. Proposed law requires alternative delivery methods in certain circumstances. Proposed law limits the civil liability of insurance producers for any harm or injury that occurs because of a party's election to receive documents by a electronic means or by an insurer's failure to deliver documents by electronic means.

| <b>EXPENDITURES</b> | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Ded./Other          | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>           |

| <b>REVENUES</b>     | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
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| Ded./Other          | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>           |

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Staff at the LA Dept. of Insurance report that any costs associated with the electronic delivery of insurance notices or documents would be borne by insurers.

**REVENUE EXPLANATION**

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

Senate

Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*

**Evan Brasseaux**  
**Staff Director**