

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

House Committee on Consumer Protection and Government Effectiveness

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO: None

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Wendy Simons, Administrator

Meeting Dates:

WHAT THE MEASURE DOES: Prevents insurers from considering individual’s driving record when determining rates for personal insurance policies, except in specified circumstances when insurer may consider abstract of nonemployment driving record. Applies to insurance policies issued or renewed on or after effective date.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: No amendments.

BACKGROUND: In some cases, commercial fleets are owned by an incorporated business while in other cases commercial fleets are owned by an individual. According to some interpretations, when a fleet is owned by a business, five years of driving experience are used to determine insurance rates, while insurance rates for fleets owned by an individual are based upon three years of driving experience which usually results in higher rates. Under House Bill 2258, both situations would be subject to a five year “look back” to determine rates.