

# ***Fiscal Note & Local Impact Statement***

122<sup>nd</sup> General Assembly of Ohio

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BILL: **Am. Sub. S.B. 70**

DATE: **July 2, 1997**

STATUS: **As Passed by the House**

SPONSOR: **Sen. Dix**

LOCAL IMPACT STATEMENT REQUIRED: **No - No local cost**

CONTENTS: **Makes the denial or limiting of coverage of a claim arising from domestic violence unfair practices**

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## ***State Fiscal Highlights***

| <b>STATE FUND</b>                                 | <b>FY 1998</b>                 | <b>FY 1999</b>                 | <b>FUTURE YEARS</b>            |
|---|--------------------------------|--------------------------------|--------------------------------|
| <b>State Special Revenue Fund 554 (Operating)</b> |                                |                                |                                |
| Revenues  | Potential minimal gain         | Potential minimal gain         | Potential minimal gain         |
| Expenditures                                      | Potential net minimal increase | Potential net minimal increase | Potential net minimal increase |

- If an insurer is accused of a violation there would be minimal costs incurred by the department for a hearing; a potential recovery of not more than one-half of the expenses if the Superintendent finds that said violation occurred.

## ***Local Fiscal Highlights***

- No direct fiscal effect on political subdivisions.
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## ***Detailed Fiscal Analysis***

The Department of Insurance was unable to provide any information on the number of claims that were denied coverage because they arose from acts of domestic violence. However, the possible number is believed to be minimal and would not have a significant effect on the cost of premiums to state or local governments. An inclusion of civil and criminal immunity for insurers acting in compliance with the provisions of the bill should have no direct fiscal effect on the state or local governments.

The Superintendent of Insurance or any aggrieved person may initiate the process to conduct a hearing to determine if an unfair or deceptive act or practice in violation of §3901.20 of the Revised Code has occurred. The Department of Insurance would use existing revenue from State Special Revenue Fund 554 (Operating) to cover the cost of such a hearing. Some of the expenses may be recovered if the Superintendent finds that a violation has occurred. Section 3901.22 (D)(5) allows the Superintendent to order the violator to pay the state treasury for credit



to the department's operating fund an amount, not in excess of one hundred thousand dollars, equal to one-half of the expenses reasonably incurred to retain attorneys, actuaries, accountants and other experts not otherwise a part of the superintendent's staff to assist directly with respect to violations committed by such person.

□ *LBO staff: Corey C. Schaal, Budget/Policy Analyst*

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