

Bill as Introduced

HB 347 - AS INTRODUCED

2019 SESSION

19-0683

01/10

HOUSE BILL **347**

AN ACT adding insurer's policy administration expenses to commercial rate standards.

SPONSORS: Rep. Hunt, Ches. 11

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill adds insurer's policy administration expenses to commercial rate standards.

This bill is a request of the insurance department.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT adding insurer's policy administration expenses to commercial rate standards.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Regulation of Forms and Rates for Property and Casualty Insurance; Rate Standards. Amend
2 RSA 412:15, IV(a) and (b) to read as follows: .

3 (a) Based on an insured's management, safety, and loss control policies and record;

4 (b) ***Based on the policy administration expenses; and***

5 (c) No greater than plus or minus 40 percent of the insurer's base rates.

6 2 Effective Date. This act shall take effect 60 days after its passage.

HB 347 - FINAL VERSION

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CHAPTER 103
HB 347 - FINAL VERSION

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CHAPTER 103
HB 347 - FINAL VERSION

19-0683
01/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT adding insurer's policy administration expenses to commercial rate standards.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 103:1 Regulation of Forms and Rates for Property and Casualty Insurance; Rate Standards.

2 Amend RSA 412:15, IV(a) and (b) to read as follows:

3 (a) Based on an insured's management, safety, and loss control policies and record;

4 (b) ***Based on the policy administration expenses; and***

5 (c) No greater than plus or minus 40 percent of the insurer's base rates.

103:2 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 21, 2019

Effective Date: August 20, 2019

Committee Minutes

SENATE CALENDAR NOTICE
Commerce

Sen Kevin Cavanaugh, Chair
Sen Jon Morgan, Vice Chair
Sen Donna Soucy, Member
Sen Chuck Morse, Member
Sen Harold French, Member

Date: April 11, 2019

HEARINGS

Tuesday	04/16/2019	
(Day)	(Date)	
Commerce	SH 100	1:00 p.m.
(Name of Committee)	(Place)	(Time)
1:00 p.m.	HB 309	relative to procedures for foreclosure of a mortgage.
1:15 p.m.	HB 648-FN	defining and regulating service entities.
1:30 p.m.	HB 606	relative to certain insurance licensing statutes.
1:45 p.m.	HB 347	adding insurer's policy administration expenses to commercial rate standards.
2:00 p.m.	HB 607	relative to life and health insurance.
2:15 p.m.	HB 474	relative to principal offices of trust companies and banking and trusts insurance.
2:30 p.m.	HB 684-FN	relative to mediation of rent increases in manufactured housing parks.

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

HB 309

Rep. Williams

HB 648-FN

Rep. Luneau

HB 606

Rep. Butler

HB 347

Rep. Hunt

HB 607

Rep. Butler

Sen. Carson

HB 474

Rep. Luneau

HB 684-FN

Rep. Luneau

Rep. Myler

Rep. Wallner

Laura Bryant 271-1403

Kevin Cavanaugh
Chairman

Senate Commerce Committee
Laura Bryant 271-1403

HB 347, adding insurer's policy administration expenses to commercial rate standards.

Hearing Date: April 16, 2019

Time Opened: 2:12 p.m.

Time Closed: 2:16 p.m.

Members of the Committee Present: Senators Cavanaugh, Morgan, Soucy, Morse and French

Members of the Committee Absent : None

Bill Analysis: This bill adds insurer's policy administration expenses to commercial rate standards.

This bill is a request of the insurance department.

Sponsors:
Rep. Hunt

Who supports the bill: Rep. John Hunt, Marty Mobley with the NH Insurance Department, Christian Citarella with the NH Insurance Department

Who opposes the bill: None

Who is neutral on the bill: None

Summary of testimony presented:

Christian Citarello, Property Casualty Actuary for the NH Insurance Department:

- Citarello said that this bill only affects the scheduling rating piece of commercial lines and it isn't often that the department sees an insurer who wants to include administrative costs rather than the risks of the insured to be built into their scheduled rating.
- Citarello said that doing so is currently prohibited, but this bill would allow it.

Senator Soucy asked what the special costs would be.

- **Citarello** said that a business owner, regarding workers compensation, may have a very simple employee such as all being in one class code, so the audits would be very easy. He said therefore it may be easier to administer that policy.

Senator Soucy asked him to clarify if he was talking about systems that see less administrative costs and therefore can see savings due to these situations.

Citarello said that yes, the rates regarding these policies would be less related to risk than they would be for processing.

LHB

Date Hearing Report completed: April 17, 2019

Speakers

Voting Sheets

Senate Commerce Committee
EXECUTIVE SESSION RECORD
2019-2020 Session

Bill # 347

Hearing date: _____

Executive Session date: _____

Motion of: bTP Vote: 5-0

Committee Member	Made by	Second	Yes	No
Sen. Cavanaugh, Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Morgan, V- Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. French	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Morse	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: Consent Vote: 5-0

Committee Member	Made by	Second	Yes	No
Sen. Cavanaugh, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Morgan, V- Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. French	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Morse	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Made by	Second	Yes	No
Sen. Cavanaugh, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Morgan, V- Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. French	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Morse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Morgan

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE
FOR THE CONSENT CALENDAR

Wednesday, April 17, 2019

THE COMMITTEE ON Commerce

to which was referred **HB 347**

AN ACT

adding insurer's policy administration expenses to
commercial rate standards.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Jon Morgan
For the Committee

This bill adds insurer's policy administration expenses to commercial rate standards. This bill is a request of the insurance department. The committee feels that this legislation will increase efficiency in the department as well as offer potential cost savings for businesses.

Laura Bryant 271-1403

FOR THE CONSENT CALENDAR

COMMERCE

HB 347, adding insurer's policy administration expenses to commercial rate standards.

Ought to Pass, Vote 5-0.

Senator Jon Morgan for the committee.

This bill adds insurer's policy administration expenses to commercial rate standards. This bill is a request of the insurance department. The committee feels that this legislation will increase efficiency in the department as well as offer potential cost savings for businesses.

General Court of New Hampshire - Bill Status System

Docket of HB347

Docket Abbreviations

Bill Title: adding insurer's policy administration expenses to commercial rate standards.*Official Docket of HB347.:*

Date	Body	Description
12/31/2018	H	Introduced 01/02/2019 and referred to Commerce and Consumer Affairs HJ 2 P. 46
1/9/2019	H	Public Hearing: 01/15/2019 11:15 am LOB 302
1/15/2019	H	Subcommittee Work Session: 01/22/2019 11:00 am LOB 302
1/15/2019	H	Executive Session: 01/22/2019 01:30 pm LOB 302
1/23/2019	H	Committee Report: Ought to Pass for 01/31/2019 (Vote 18-0; CC) HC 9 P. 3
1/31/2019	H	Ought to Pass: MA VV 01/31/2019 HJ 4 P. 4
3/12/2019	S	Introduced 03/07/2019 and Referred to Commerce; SJ 8
4/11/2019	S	Hearing: 04/16/2019, Room 100, SH, 01:45 pm; SC 18
4/17/2019	S	Committee Report: Ought to Pass, 04/25/2019; Vote 5-0; CC SC 19
4/25/2019	S	Ought to Pass: MA, VV; OT3rdg; 04/25/2019; SJ 14
5/10/2019	S	Enrolled (In recess 05/02/2019); SJ 16
5/14/2019	H	Enrolled 05/08/2019 HJ 15 P. 100
6/24/2019	H	Signed by Governor Sununu 06/21/2019; Chapter 103; Eff: 08/20/2019

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: HB 347

Senate Committee: Commerce

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

___ - amendment # ___ ___ - amendment # ___

___ - amendment # ___ ___ - amendment # ___

Executive Session Sheet

Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # ___ ___ - amendment # ___

___ - amendment # ___ ___ - amendment # ___

Post Floor Action: (if applicable) {Clerk's Office}

Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

Enrolled Bill Amendment(s)

Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house

final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Committee Aide

Date

Senate Clerk's Office AK