

Senate Commerce Committee
Angela Leach 271-3077

HB 330-FN, relative to form and rate filing fees.

Hearing Date: April 11, 2017

Members of the Committee Present: Senators Innis, French, Soucy and Lasky

Members of the Committee Absent : Senator Sanborn

Bill Analysis: This bill establishes form and rate filing fees for advisory organizations.

Sponsors:

Rep. Butler

Sen. Reagan

Sen. Fuller Clark

Who supports the bill: Representative Butler, Representative Hunt, Senator Fuller Clark, Darryl Perry - Liberty Lobby LLC, Sally McFadden- NH Insurance Department, Marty Mobley- NH Insurance Department, Ian Freeman- NH Liberty Party, George Roussos- ISO, Nathan Fennessy- NCCI

Who opposes the bill: No one

Summary of testimony presented: Representative Butler- (PRIME) this bill is a request of the insurance department to establish a flat fee for form and rate filings of advisory organizations. Insurance companies pay retaliatory fees for form and rate filings. If a company joins an advisory organization, one of the services provided is the organization files forms and rates on behalf of the member companies. An issue has arisen on whether the department should calculate the retaliatory fee for insurers who file through an advisory organization. Establishing a flat fee for filing for the advisory organization to clarify that the retaliatory fees should not be charged to insurers who file through an advisory organization creates efficiencies for the insurance department and lowers cost for advisory organizations and insurance companies while also providing the maximum protection to consumers by promoting the use of the most well vetted forms. The amendment that was added in the House lowers the fee to \$20 per form and rate form.

Sally McFadden – NH Insurance Department (Support) The advisory organizations collect data and file forms which are basically policy and endorsements and file rates and rules which are reviewed for compliance. The advisory organizations provide information that can be used by insurance companies. The filings made by insurance companies are charged a retaliatory fee and the advisory organizations are now going to be charged \$20 per filing. Very large reduction in their filing fees. They used to be \$100 for a rate filing and \$100 per form, and now it will be \$20 per rate filing and \$20 per form. This benefits the insurance companies and has been vetted by the industry.

Senator Innis- You're going to a flat fee basis, you'll generate \$25,000 in additional revenue for the department?

Sally McFadden – You have the old fiscal note, the new fiscal note actually shows it is a reduction of about \$17,000.

George Roussos- Insurance Services Office (Support)- Insurance Service Office is one of the biggest advisory organizations that would be effected by this bill and the other is The

National Council on Compensation Insurance which work in the area of worker's compensation. These groups' gather data and have statistics about loses and prior loses that are useful to companies for rate filings. Instead of having several companies with each their own insurance policy forms, those forms are provided by ISO as a standardized form. This helps the Insurance Department with form changes and it helps the consumer because it standardizes it and makes rate claiming more accurate. This resolves a conflict that has been going on for years.

Nathan Fennessy- NCCI (Support) We are one of the advisory service organizations that makes filings on workers compensation and support the legislation.

Future Action: Pending

AJL

Date Hearing Report completed: April 12, 2017