

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: HB-6897

AN ACT EXTENDING THE SUNSET DATE FOR PERSONAL RISK INSURANCE

Title: RATE FILINGS.

Vote Date: 2/20/2025

Vote Action: Joint Favorable Substitute

PH Date: 2/11/2025

File No.: 59

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

The legislature proposes extending the sunset date for personal risk insurance filings from July 1st, 2025 to July 1st 2028.

This will allow insurers to adjust rates promptly, enhance efficiency of the market, and expedite rate filings.

SUBSTITUTE LANGUAGE:

The substitute language delays the sunset date by five years instead of three years.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

[IAC, President, Eric George](#)

[NAMIC, Senior Regional Vice President, Chris Nicolopoulos](#)

[APCIA, Vice President, Kristina Baldwin](#)

Several testimonies were in support due to their expressed opinion that the streamlined approach allows insurers to compete and price their products aggressively to the benefit of the customer. Noting that they believe changing market conditions may result in rate fluctuation, any changes above the designated percentage cap require approval by the

Insurance Department before coming into effect. They suggested extending the sunset date until July 1st, 2030 or removing it all together. In their opinion, the continuation of "flex-rating" will facilitate competition, and be a positive development for insurance consumers and the personal lines of marketplace.

NATURE AND SOURCES OF OPPOSITION:

None Expressed.

Reported by: Nicole Chambrello

Date: 02/28/2025