

SB 288-FN – AS INTRODUCED

2014 SESSION

14-2741  
01/04

SENATE BILL        **288-FN**

AN ACT            relative to auditing insurance policies under workers' compensation.

SPONSORS:        Sen. D'Allesandro, Dist 20

COMMITTEE:      Commerce

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ANALYSIS

This bill requires insured persons under workers' compensation policies to make available all records for payroll verification for the required audits by the insurer.

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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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Fourteen*

AN ACT                   relative to auditing insurance policies under workers' compensation.

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

1           1 New Paragraph; Auditable Basis Policies. Amend RSA 412:35 by inserting after paragraph V  
2 the following new paragraph:

3                   VI. Insureds shall make available all records necessary for the payroll verification audit and  
4 permit the auditor to make a physical inspection of the insured's operation. If an insured fails to  
5 provide reasonable access to all records necessary for a payroll verification audit including a physical  
6 inspection of the insured's operation, the insured shall pay an additional premium to the carrier or  
7 self-insurer of 3 times the most recent estimated annual premium.

8           2 Unfair Insurance Practices. Amend RSA 417:4, XII to read as follows:

9                   XII. Collecting Proper Premium. Knowingly collecting as premium or charge for insurance  
10 any sum in excess of or less than the premium or charge applicable to such insurance and as  
11 specified in the policy, in accordance with the applicable classifications and rates as filed with and  
12 approved by the commissioner, except a premium finance charge, consultant's fee, policy fee, and/or  
13 service fee as allowed by law or regulation; or, in cases where classifications, premiums, or rates are  
14 not required by this title to be so filed and approved, such premiums and charges shall not be in  
15 excess of or less than those specified in the policy and as fixed by the insurer. This provision shall  
16 not be deemed to prohibit the charging and collecting, by surplus line brokers of the amount of  
17 applicable state and federal taxes in addition to the premium required by the insurer. Nor shall it be  
18 deemed to prohibit the charging and collecting, by an insurer, of amounts actually to be expended for  
19 medical examination of an applicant for insurance or for reinstatement of an insurance policy. Nor  
20 shall it be deemed to prohibit the charging or collecting by an insurance agent or broker of a  
21 reasonable service charge or fee as may be determined by regulation. ***Nor shall it be deemed to***  
22 ***prohibit the charging and collecting of additional premiums under RSA 412:35, VI.***

23           3 Effective Date. This act shall take effect January 1, 2015.

**SB 288-FN - FISCAL NOTE**

AN ACT                    relative to auditing insurance policies under workers' compensation.

**FISCAL IMPACT:**

The Insurance Department states this bill, **as introduced**, may have an indeterminable fiscal impact on state revenue in FY 2015 and each year thereafter. There is no fiscal impact on state expenditures, or county and local revenue or expenditures.

**METHODOLOGY:**

The Insurance Department states this bill requires insured persons under workers' compensation policies to make available all records for payroll verification for the required audits by the insurer. Additionally, the bill allows for adjustments to premiums collected under RSA 412:35, VI. The Department states audits can result in additional premiums or return premiums; therefore this bill may have an indeterminable fiscal impact on state revenue.