

July 6, 2016

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: House Bill 959
Various Insurance Related Revisions

During the 2015 session of the General Assembly, the Legislature enacted House Bill 148 which removed liability and physical damage insurance for mopeds from the Rate Bureau's jurisdiction. This legislation was to become effective July 1, 2016.

However, during the 2016 session of the General Assembly, the Legislature passed House Bill 959 which again addressed the Rate Bureau's jurisdiction over mopeds. HB 959 overrides the 2015 legislation (HB 148) with respect to moped liability insurance such that moped liability insurance remains under the Rate Bureau's jurisdiction. The 2015 legislation (HB 148) removing moped physical damage insurance from the Rate Bureau's jurisdiction was not affected by HB 959 and, effective July 1, 2016 (regardless of the Governor's action on HB 959), moped physical damage insurance is no longer under the Rate Bureau's jurisdiction.

House Bill 959 has been ratified and awaits the Governor's signature. Absent a Governor's veto, we believe that House Bill 959 will be effective as of July 1, 2016.

If you have any questions concerning these matters, please feel free to contact me.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

A-16-7