

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1306-02  
Bill No.: SCS for SB 303  
Subject: Civil and Criminal Procedure; Contracts and Contractors; Insurance - General; Liability  
Type: Original  
Date: February 17, 2017

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Bill Summary: This proposal provides that insurers have the right to defend an insured without reservation before a claimant can contract to limit recovery to certain assets or insurance policies.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |            |            |            |
|------------------------------------------------------|------------|------------|------------|
| FUND AFFECTED                                        | FY 2018    | FY 2019    | FY 2020    |
|                                                      |            |            |            |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |            |            |
|---------------------------------------------------------------|------------|------------|------------|
| FUND AFFECTED                                                 | FY 2018    | FY 2019    | FY 2020    |
|                                                               |            |            |            |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---------------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                          | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> |
|                                                               |                |                |                |
|                                                               |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|-----------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> |
|                                                           |                |                |                |
|                                                           |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of the State Courts Administrator**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Office of the State Public Defender** and the **Office of Prosecution Services** each assume no fiscal impact from this proposal.

|                                         |                     |            |            |
|-----------------------------------------|---------------------|------------|------------|
| <u>FISCAL IMPACT - State Government</u> | FY 2018<br>(10 Mo.) | FY 2019    | FY 2020    |
|                                         | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

|                                         |                     |            |            |
|-----------------------------------------|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2018<br>(10 Mo.) | FY 2019    | FY 2020    |
|                                         | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General  
Office of the State Courts Administrator  
Office of the State Public Defender  
Office of Prosecution Services  
Department of Insurance, Financial Institutions and Professional Registration



Mickey Wilson, CPA  
Director  
February 17, 2017

Ross Strobe  
Assistant Director  
February 17, 2017