

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1666-01
Bill No.: SB 386
Subject: Business and Commerce; Consumer Protection; Insurance - General; Department of Insurance, Financial Institutions and Professional Registration
Type: Original
Date: February 23, 2017

Bill Summary: This proposal exempts certain types of commercial insurance lines from filing requirements with respect to rates and policy forms.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Insurance Dedicated Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume this proposal states policy amendments for certain lines of commercial insurance would no longer be required to be submitted to the department for review along with a \$50 filing fee. A loss of revenues to the Insurance Dedicated Fund would vary based upon the number of yearly filings but is estimated to be under \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (6 Mo.)	FY 2019	FY 2020
INSURANCE DEDICATED FUND			
<u>Loss - DIFP</u>	(Less than	(Less than	(Less than
Loss of \$50 filing fee	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND	(Less than <u>\$100,000)</u>	(Less than <u>\$100,000)</u>	(Less than <u>\$100,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (6 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

This act exempts certain types of commercial insurance lines from filing requirements with respect to rates and policy forms.

This act also provides that the Director of the Department of Insurance, Financial Institutions, and Professional Registration may temporarily reinstate the requirement for rate or form filings after a hearing and upon a finding of fact that a reasonable degree of competition does not exist for that specific type of insurance coverage.

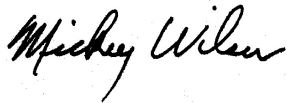
FISCAL DESCRIPTION (continued)

This act has an effective date of January 1, 2018

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

Department of Insurance, Financial Institutions and Professional Registration



Mickey Wilson, CPA
Director
February 23, 2017

Ross Strobe
Assistant Director
February 23, 2017