

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6144-01
Bill No.: SB 962
Subject: Banks and Financial Institutions; Fees; Insurance - General; Insurance - Health; Department of Insurance, Financial Institutions and Professional Registration; Department of Revenue; Taxation and Revenue - General
Type: Original
Date: February 5, 2018

Bill Summary: This proposal modifies provisions of law relating to payments made by insurance companies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Insurance Dedicated Fund	\$1,426,763	\$2,246,314	\$2,246,314
Total Estimated Net Effect on Other State Funds	\$1,426,763	\$2,246,314	\$2,246,314

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume this proposal increases certain fees authorized under state law that are paid by insurance companies to do business in Missouri. Based upon FY2017 counts, the department expects to collect an additional \$2,246,314 in revenue per fiscal year in the Insurance Dedicated Fund (\$1,426,763 in FY 2019).

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (6 Mo.)	FY 2020	FY 2021
INSURANCE DEDICATED FUND			
<u>Revenue - DIFP</u> Increase in fees	<u>\$1,426,763</u>	<u>\$2,246,314</u>	<u>\$2,246,314</u>
ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND	<u>\$1,426,763</u>	<u>\$2,246,314</u>	<u>\$2,246,314</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (6 Mo.)	FY 2020	FY 2021
	<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 creates a unified fee structure for filing fees paid by health services corporations and health maintenance organizations.

FISCAL DESCRIPTION (continued)

Additionally, the act specifies that fees paid under the insurance laws of this state shall be collected and deposited into the Insurance Dedicated Fund by the Director of the Department of Insurance, Financial Institutions, and Professional Registration rather than by the Director of the Department of Revenue, and eliminates a provision specifying that \$500,000 from the fund shall be transferred annually to general revenue.

The act adjusts fees for companies filing insurance documents, and enacts fees for filing an own risk and solvency assessment (ORSA) summary report and for insurance holding company filings. Holding companies filing a preacquisition report as required by law shall additionally pay the costs of compensation of the Director's staff in reviewing it. The act eliminates fees charged for affixing the seal of the office of the Director of the Department of Insurance, Financial Institutions, and Professional Registration, and for accepting service of process upon the company.

This act also eliminates the requirement that insurance examiners appointed by the Director be compensated according to the applicable levels established by the National Association of Insurance Commissioners.

This act becomes effective January 1, 2019.

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
Department of Revenue

Ross Strobe



Acting Director
February 5, 2018