

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3513-01  
BILL NO.: SB 808  
SUBJECT: Insurance - Life; Uniform Laws  
TYPE: Original  
DATE: February 15, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 3 pages.

---

**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Insurance (INS)** state the proposal would cause INS to increase actuarial review because of the new reserving requirement. INS anticipate that current appropriations and staff would be able to absorb the work for implementation of this single proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small life insurance companies that handle term life insurance policies would be fiscally impacted to the extent they would incur additional administrative costs as a result of the requirements in this proposal.

DESCRIPTION

This proposal would govern the required amounts of reserves that an insurance company must maintain to ensure that it has the resources to pay future life insurance claims. This proposal would provide tables of select mortality factors for use in valuing life insurance reserves. The proposal would also set forth methodology for valuing reserves on policies with nonlevel premiums or benefits or with secondary guarantees. This proposal would provide tables of select mortality factors and rules for their use; rules concerning the minimum standard for the valuation of plans with nonlevel premiums or benefits; and rules concerning the minimum standard for the valuation of plans with secondary guarantees.

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

L.R. NO. 3513-01  
BILL NO. SB 808  
PAGE 3 OF 3  
February 15, 2000

SOURCES OF INFORMATION

Department of Insurance

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA  
Director  
February 15, 2000