

### Fiscal Estimate - 2009 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 09-4242/1		<b>Introduction Number</b> SB-516	
<b>Description</b> The Interstate Insurance Receivership Compact, investment guidelines for charitable gift annuity segregated accounts, Health Insurance Risk-Sharing Plan assessment participation, reciprocity for long-term care insurance policies, voting by fraternal members, the insurance security fund, modifications to motor vehicle insurance policy and umbrella and excess liability policy requirements, providing an exemption from emergency rule procedures, and granting rule-making authority			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Cities	
<input type="checkbox"/> School Districts		<input type="checkbox"/> Others	
		<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>			
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Affected Ch. 20 Appropriations</b>			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
OCI/ Jim Guidry (608) 264-6239		Sean Dilweg (608) 266-3585	2/10/2010

## Fiscal Estimate Narratives

OCI 2/10/2010

LRB Number	<b>09-4242/1</b>	Introduction Number	<b>SB-516</b>	Estimate Type	<b>Original</b>
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### Assumptions Used in Arriving at Fiscal Estimate

SB 516 will lower reinstatement fees charged to insurance intermediaries. The current fee for reinstating an intermediary license is an amount equal to the fee for a new resident license. The change to SB 516 would reduce the reinstatement fee to an amount equal to twice the license renewal fee. OCI estimates that approximately 100 agents with an average of two lines of authority will require license reinstatement monthly. The charge to reinstate a license is \$75 per line of authority which results in a total of \$180,000 in estimated annual revenue. By changing the reinstatement fee to twice the renewal fee the annual revenue is estimate to be \$84,000. The change results in a decrease in estimated revenues by \$96,000.

SB 516 creates a \$10 electronic application fee for filing an original electronic resident application following successful completion of any required prelicensing education or examinations. OCI estimates that 500 electronic applications will be filed each month for a total of 6000 applications per year. The fee will generate \$60,000 in annual revenues to pay for current issuance costs.

The combined effect of of each fee change lowers overall agency revenues by \$36,000 which can be absorbed by the agency.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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  Updated     
  Corrected     
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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned	6,000	-9,600
	FED		
	PRO/PRS (20.145)	54,000	-86,400
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$60,000</b>	<b>\$-96,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-36,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
OCI/ Jim Guidry (608) 264-6239		Sean Dilweg (608) 266-3585	2/10/2010