

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4390-01
Bill No.: HB 1144
Subject: Telecommunications; Insurance - Property; Insurance Dept.
Type: Original
Date: January 20, 2011

Bill Summary: This proposal changes the Missouri Life and Health Insurance Guaranty Association Act by capping the liability of the association regarding member insurers that are placed under an order of rehabilitation or liquidation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Office of Prosecution Services, Administrative Hearing Commission, Joint Committee on Administrative Rules and Office of State Treasurer** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** assume there will be no fiscal impact to their agency. According to DIFP the proposal changes the Missouri Life and Health Insurance Guaranty Association Act by capping the liability of the association regarding member insurers that are placed under an order of rehabilitation or liquidation. The increase in the annuity in the bill is to bring the guaranty association in line with the limits of the FDIC. At this point the Association is not aware of any short term (FY 12, FY 14, and FY 15) event that would bring these higher limits into play. This situation would be the same for the increase in the major medical limit and the long-term care limit.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriation if there is a significant increase in the number of referrals from the department to handle the increase in workload.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
	<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 proposed legislation appears to have no 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 Administration -
Administrative Hearing Commission
Office of Attorney General
Office of State Courts Administrator
Department of Insurance, Financial Institutions, and Professional Registration
Joint Committee on Administrative Rules
Office of Prosecution Services
Office of Secretary of State
Office of State Treasurer



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January 20, 2012

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