

PREPARED BY: Nikki Swope
 DATE PREPARED: January 30, 2023
 PHONE: 402-471-0042

LB 437

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				(\$514.250)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				(\$514.250)

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 437 would change the renewal period for insurance producer agencies from an annual to biennial basis, with the licenses renewing in April of each odd-numbered year. The bill has an operative date of 4/30/24.

The Department of Insurance (DOI) currently has ten thousand two hundred eighty-five agency licenses with an annual fee of \$50 per agency. In odd-numbered years, the DOI would not be processing these renewals. This would result in a revenue loss in FY 2024-25 of (\$514.250) and would have a continued revenue loss in the odd-numbered years in future bienniums.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 437	AM: AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Ryan Walton	DATE: 1/20/2023	PHONE: (402) 471-4174
COMMENTS: The Department of Insurance assessment of fiscal impact from LB 437 appears reasonable.		

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 437

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Insurance

Prepared by: ⁽³⁾ Jordan Blades Date Prepared: ⁽⁴⁾ 1/19/2023 Phone: ⁽⁵⁾ 402-471-1432

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	\$-514,250
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	===== \$-514,250

Explanation of Estimate:

LB437 Would change the renewal period for insurance producer agencies from annual to biennial, with the licenses renewing in April of each even numbered year.

The Department currently has 10,285 agencies licensed with an annual fee of \$50 per agency. During odd numbered years we would no longer be processing any of these agency renewals, which would result in a revenue loss of \$514,250 to the Department during each odd numbered year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____