

PREPARED BY: Sandy Sostad
 DATE PREPARED: January 20, 2016
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LB 819

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 819 is the Corporate Governance Annual Disclosure Act which will apply to all insurers domiciled in the state. The act requires insurer's to annually file a summary of an insurer's or insurance group's corporate governance structure, policies and practices with the Department of Insurance (DOI). The Director of the DOI may retain, at the insurer's expense, third-party consultants, including attorneys, actuaries, accountants and other experts not otherwise employed by the DOI to assist in reviewing the corporate governance annual disclosure and related information or the insurer's compliance with the act. The bill provides a \$50 per day penalty, up to a maximum of \$10,000, for failing to file the annual disclosure. Fines accrue to the county where the fine is imposed for use by the public schools. The bill is operative on January 1, 2017.

The DOI indicates the new act will have no additional fiscal impact for the agency and can be handled with existing staff and resources. It is assumed that any fines assessed pursuant to the act will be minimal.

LB 819 also provides governance standards for risk retention groups. These provisions have no fiscal impact for the DOI.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 819	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Robin Kilgore		DATE: 1-19-16	PHONE: 471-4180
COMMENTS: Concur with agency estimate of fiscal impact.			

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

2016

LB⁽¹⁾ 819

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Insurance

Prepared by: ⁽³⁾ Robert M. Bell

Date Prepared: ⁽⁴⁾ January 15, 2016

Phone: ⁽⁵⁾ (402) 471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact on the Nebraska Department of Insurance. The review of the disclosure will be done with existing staff and resources of the Department.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____