

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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 469 amends the Surplus Lines Insurance Act. The bill authorizes the Department of Insurance (DOI) to provide a certificate of authority for insurers to operate as domestic surplus lines insurers in the state. The bill also repeals current requirements for the DOI to approve the employee benefit plans of domestic insurance companies. Several requirements for the DOI to adopt rules and regulations are also eliminated.

The DOI indicates the authorization to license surplus insurers may encourage such insurers to domicile in the state. However, at this point in time, the department is not aware of any insurers who will domicile immediately pursuant to the passage of the bill. There may be an increase in licensing revenue in the future, if insurers opt to domicile in the state pursuant to LB 469.

The elimination of requirements for the adoption of certain rules and regulations and for the department to approve the employee benefit plans of insurance companies may lessen the workload of the department but will have no fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 469	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Neil Sullivan	DATE: 2/1/2019	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Insurance estimate of no fiscal impact from LB 469.			

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

2019

LB⁽¹⁾ 469

FISCAL NOTE

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

Prepared by: ⁽³⁾ Matt Holman Date Prepared: ⁽⁴⁾ 1/30/2019 Phone: ⁽⁵⁾ 402-471-4503

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

LB 469 allows Nebraska insurers to obtain a certificate of authority as a domestic surplus lines insurer in the State of Nebraska, and therefore to have access to Nebraska’s surplus lines market. While this bill will make Nebraska more attractive as a state of domicile for surplus lines insurers, the Department knows of no specific insurers which would domicile here immediately as a result of this legislation. Therefore, LB 469 has the potential to increase licensing revenue slightly. Any such increase in the next two fiscal years is expected to be minimal. Any increased duties on the Department as a result of newly domesticated surplus lines insurers will be handled by existing Department staff and resources.

LB 469 also repeals two rule and regulation mandates on the Department that are no longer necessary, and LB 469 removes the requirement that insurers file their employee retirement and benefit plans with the Department for approval. These provisions are expected to have no fiscal impact on Department expenditures or revenues.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____