

PREPARED BY: Nikki Swope
 DATE PREPARED: January 16, 2020
 PHONE: 402-471-0042

LB 1014

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$1,000		\$1,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$1,000		\$1,000

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

LB1014 relates to the Multiple Employer Welfare Arrangement Act (MEWA). This bill offers several amendments to include those individuals and dependents of an employee who are self-employed under a multiple employer welfare arrangement. The bill also includes a provision that if the multiple employer welfare arrangement providing coverage to self-employed individuals, the multiple employer welfare arrangement must include a notice in the plan description, and in any denial notices, the contact information for the Director of Department of Insurance who can take punitive action in the event of violations of the act.

Additionally, in accordance with the act, every new MEWA applicant must pay a fee of \$1000 to the Insurance Cash Fund. The Department of Insurance estimates that one new multiple employer welfare arrangement will be established each year. No new significant duties are expected thus the Department can absorb reviewing of MEWA applications with existing resources.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1014	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Neil Sullivan	DATE: 1/29/2020	PHONE: (402) 471-4179	
COMMENTS: The Department of Insurance assessment of fiscal impact from LB 1014 appears reasonable.			

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

2020

LB⁽¹⁾ 1014

FISCAL NOTE

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

Prepared by: ⁽³⁾ Thomas Green II Date Prepared: ⁽⁴⁾ 1/28/2020 Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	\$1,000.00	_____	\$1,000.00
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>\$1,000.00</u>	<u>_____</u>	<u>\$1,000.00</u>

Explanation of Estimate:

If LB1014 is passed, the Department of Insurance reasonably estimates that one multiple employer welfare arrangement ("MEWA") will be established each year. According to §44-7605(1), every new MEWA must pay an application fee of \$1,000.00 to the Insurance Cash Fund, which is the origin of the figure above. No new duties are expected of the Department under the bill; review of MEWA applications would be absorbed by existing resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____