

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

**LB 1024**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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.**

This bill subjects every risk management pool to the Unfair Insurance Trade Practices Act. The bill provides that risk management pools are prohibited from providing any group self-insurance to its members until the Department of Insurance grants authority to do so with the director's authorization as established by state statute. The bill defines that if the department finds just cause, after notice and a hearing, to not renew a certificate of authority the risk management pool will be dissolved. The bill further states that the director may issue corrective orders in compliance with the Intergovernmental Risk Management Act. If a risk management pool does not comply with a corrective order, the director may remove board members or executive management of the pool.

The Department does not anticipate any fiscal impact as a result of LB1024. While there may be instances where the Department or Director may have to carry out duties outlined in the bill, any such increased duties will be absorbed by existing resources.

No fiscal impact.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1024	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Neil Sullivan	DATE: 2/11/2020	PHONE: (402) 471-4179	
COMMENTS: The Department of Insurance assessment of no fiscal impact from LB 1024 appears reasonable.			

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

**2020**

**LB<sup>(1)</sup> 1024**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Thomas Green II Date Prepared: <sup>(4)</sup> 2/6/2020 Phone: <sup>(5)</sup> 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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 1024 subjects risk management pools (“Pools”) to the Unfair Insurance Trade Practices Act and provides the Director of Insurance with authority to both: (a) issue corrective orders when Pools do not comply with the Intergovernmental Risk Management Act; and (b) take certain enforcement actions when such corrective orders are not complied with by a Pool.

The Department anticipates no fiscal impact as a result of LB 1024. While there may be situations when the Department of Insurance and/or the Director have to carry out duties outlined in LB 1024, any such increased duties will 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</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____