

FISCAL NOTE

Requested by Legislative Council
04/20/2001

Bill/Resolution No.:

Amendment to: Reengrossed
 HB 1407

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$55,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$55,000	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Sections 1 and 3 of Second Engrossed HB 1407 with Conference Committee Amendments will impact the Insurance Regulatory Trust Fund.

Section 1 provides that the Insurance Department shall pay for a Legislative Council study of the impact of mandating health insurance coverage before the mandate becomes law. Each proposed mandate will require a separate study. The final impact to the Insurance Regulatory Trust Fund will depend on the number of mandates proposed. It is difficult to predict the number of benefits that will be proposed each session. Assuming at least two mandates per session, the cost of a study is estimated to be between \$10,000 and \$100,000 with the midpoint being \$55,000. A study will require the service of a consulting actuary. Section 4 appropriates \$55,000 from the Insurance Regulatory Trust Fund to cover the cost of the studies over the 2001-2003 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See above.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line*

item, and fund affected and the number of FTE positions affected.

See above.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Insurance Regulatory Trust Fund - 2001-2003 biennium budget. See answer to No. 1.

Expense - \$55,000

No FTEs. Studies will be contracted with outside consultants.

Name: Charles E. Johnson
Phone Number: 328-2440

Agency: Insurance Department
Date 04/20/2001
Prepared: