

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0275-01
Bill No.: HB 119
Subject: Insurance - Life; Military Affairs; State Employees
Type: Original
Date: February 1, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Division of Budget and Planning, Missouri Consolidated Health Care Plan, Joint Committee on Public Employee Retirement, Missouri Local Government Employees' Retirement System, Department of Insurance and County Employees' Retirement System** assume the proposal would have no fiscal impact on their organizations.

Officials from the **Department of Public Safety (DPS) - Director's Office** defer any cost estimates to the Office of Administration and the Missouri Consolidated Health Care Plan since health care premiums are handled through those agencies.

Officials from the **DPS - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the fiscal impact of this proposal on their organization.

Officials from the **COA - Division of Personnel (COA-DOP)** assume since there are no provisions for the state to pay for the extended coverage provided in the proposal, there would be no additional premium cost to the state. However, extended coverage may result in additional costs to the plan. The COA-DOP defers to the Missouri State Employees' Retirement System for response regarding the potential fiscal impact of this proposal.

Officials from the **Missouri Department of Transportation (DOT)** state presently participants maintain their life insurance benefits when called to active military duty, but are required to pay the total premium for the coverage. The proposal does not expressly require the state agency to pay premiums for the insurance benefits. Therefore, the DOT assumes no fiscal impact.

ASSUMPTION (continued)

Officials from the **Missouri State Employees' Retirement System (MOS)** state the MOS facilitates the basic and optional life insurance programs through a third party administrator known as The Standard Insurance Company (Standard). Under the current insurance contract, all employees who are eligible for any type of leave have the option of continuing both basic and optional life insurance at their own expense for a period not to exceed twelve (12) months. Under this proposal, employees who are called to active military duty would be able to continue such insurance coverage for the length of their deployment, which may well extend beyond twelve months.

Standard is unable to assess whether or not there would be any increased costs associated with this proposal since any risk is unknowable and cannot be actuarially determined.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (12 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (12 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows state employees and retirees who are called to military service, in times of active armed warfare, to retain life insurance benefits for the entire duration of deployment.

The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration -
 Division of Budget and Planning
 Division of Personnel
County Employees' Retirement System
Missouri Consolidated Health Care Plan
Department of Insurance
Joint Committee on Public Employee Retirement
Missouri Local Government Employees' Retirement System
Missouri State Employees' Retirement System
Missouri Department of Transportation
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol



Mickey Wilson, CPA
Director
February 1, 2005