

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5066-01
Bill No.: HB 1745
Subject: Insurance - General; Civil Procedure; Courts
Type: Original
Date: April 11, 2012

Bill Summary: This proposal allows insurers to intervene in any civil case in which they may be obligated to provide a defense or indemnity for any judgement rendered in the action.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Insurance Dedicated Fund	Up to \$57,200	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$57,200	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate up to 1,144 insurers would be required to submit amendments to their policies to comply with this legislation. Policy amendments must be submitted to the DIFP for review along with a \$50 filing fee. One time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$57,200.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the DIFP will need to request additional staff to handle increase in workload.

Officials from the **Office of State Courts Administrator, Department of Corrections, Office of Prosecution Services** assume there will be no fiscal impact to their agencies.

Officials from the **Attorney General's Office** did not respond to our request for a fiscal impact from their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
INSURANCE DEDICATED FUND			
<u>Revenue - Department of Insurance, Financial Institutions & Professional Registration - Filing Fees</u>	<u>Up to \$57,200</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>Up to \$57,200</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

FISCAL DESCRIPTION

The proposed legislation allows insurers to intervene in any civil case in which they may be obligated to provide a defense or indemnity for any judgement rendered in the action.

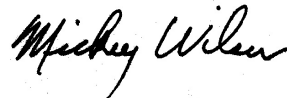
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions &
Professional Registration
Office of State Courts Administrator
Department of Corrections
Office of Prosecution Services

Not Responding

Attorney General's Office



Mickey Wilson, CPA
Director
April 11, 2012