

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4336-01
Bill No.: HB 1490
Subject: Insurance - Life
Type: Original
Date: January 3, 2018

Bill Summary: This proposal specifies that any whole life insurance policy or annuity with long term care riders shall meet the existing qualifications to join the Missouri Partnership.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Social Services (DSS)** assumes no fiscal impact from the proposal. DSS further states that if the court interprets this law as treating long-term care insurance riders to whole life insurance policies just as it treats the long-term care insurance policies under the Missouri qualified long-term care partnership, then there would be no fiscal impact.

However, the court could interpret this law as disregarding the cash surrender value of the whole life insurance policy in part or in its entirety. Since this policy has a long-term care rider regardless of payout, then participants would be able to add a qualifying long-term rider to an existing policy in order to alter the policy's amount as a countable resource. If this is the case, then the whole life insurance policy with a long-term care rider is an additional category of long-term care insurance policy. This could put otherwise ineligible participants within the resource limits for MO HealthNet program eligibility, thereby increasing the total number of active MO HealthNet participants.

For fiscal note purposes, **Oversight** notes that court interpretations, if any, would be an indirect effect of this proposal and would be addressed, if necessary, through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
---	---------------------	---------	---------

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	------------	------------	------------

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
---	---------------------	---------	---------

	<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 appears to have no direct fiscal impact.

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 and Professional Registration
Department of Social Services

Ross Strobe



Acting Director
January 3, 2018