

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 643** HLS 17RS 1205

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2017	3:10 PM	Author: HUVAL
Dept./Agy.: Insurance		Analyst: Willis Brewer
Subject: Provides for license fees collected by insurance		

INSURANCE OR +\$76,000 SG RV See Note Page 1 of 1
Provides for an annual license renewal fee for viatical settlement providers and for a late renewal fee for insurance claims adjusters.

Present law provides for a \$1,000 license fee for a first time applicant for a viatical settlement provider, but does not provide for a license renewal fee.

Proposed law retains present law and provides for a \$500 license renewal fee for a viatical settlement provider.

Present law provides for fees for claims adjuster licenses and registrations, but does not authorize a fee for an adjuster's failure to timely file for a license renewal.

Proposed law retains present law and adds a \$50 fee per license for failure to file an adjuster license renewal timely.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$380,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$380,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed legislation is anticipated to increase the Louisiana Department of Insurance (LDI) annual self-generated revenues by \$76,000. The proposed legislation provides for a \$500 license renewal fee for a viatical settlement provider and adds a \$50 fee per license for failure to file an adjuster license renewal timely.

According to LDI, there are currently twelve (12) viatical settlement providers and approximately 68,000 claim adjusters on average each year. To the extent all twelve (12) viatical providers renew, it is anticipated to generate \$6,000 in additional self-generated revenue. Based on information provided to the LFO, it is estimated on average 84% of claim adjusters renew their license annually and of these approximately 2.5% renew their license late. Therefore, it is estimated that approximately 1,400 claim adjusters (68,000 x 84% x 2.5%) will renew their license late. To the extent the annual claim adjusters and the annual late fee ratio remain constant, this is anticipated to generate annually \$70,000 in additional self-generated revenue (1,400 x \$50).

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director