

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 247** HLS 18RS 733

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 10, 2018 6:44 PM	Author: HUVAL
Dept./Agy.: LA Dept. of Insurance	Analyst: Zachary Rau
Subject: Coverage Available Under Surplus Lines of Insurance	

INSURANCE/SURPLUS LINE EG NO IMPACT See Note Page 1 of 1
Provides relative to types of coverage available under surplus lines insurance

Proposed law expands the definition of surplus lines of insurance to include health and accident insurance. Proposed law excludes health maintenance organizations from the definitions of a surplus line insurer. Proposed law retains present law regarding notification that there is no guaranty fund coverage for surplus line policies, and further provides that there is no life and health guaranty coverage for surplus lines health and accident policies. Proposed law adds an exemption for public vehicle carriers to present law exempting surplus lines insurers from the requirement to file rates and forms with the LA Dept. of Insurance. Proposed law permits the Commissioner of Insurance to require the filing of rates and forms for health and accident policies other than health stop loss and limited benefit policies. Proposed law eliminates references to property and casualty insurance in present law to expand the definition of all types of coverage available through surplus lines insurance. Proposed law expands the definition of surplus lines broker, authorizing any licensed health and accident insurance producers to become surplus lines brokers.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	2018-19	2019-20	2020-21	2021-22	2022-23	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

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The LA Dept. of Insurance reports that provisions of the proposed legislation requiring the filing of rates and forms for health and accident policies other than health stop loss and limited benefit policies are not anticipated to increase filings significantly for the department.

REVENUE EXPLANATION

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

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}

John D. Carpenter
John D. Carpenter
Legislative Fiscal Officer