



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 529** HLS 22RS 650
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 23, 2022	9:08 AM	Author: BROWN, CHAD
Dept./Agy.: Insurance		
Subject: Reorganization of the Department of Insurance		Analyst: Patrice Thomas

INSURANCE DEPARTMENT EN SEE FISC NOTE SG EX See Note Page 1 of 1
 Provides for the organization of the Department of Insurance

Proposed law changes the following divisions to offices within the LA Department of Insurance (LDI): Office of Insurance Fraud, Office of Consumer Services, and Office of Legal Services. Proposed law creates the Office of Policy, Innovation, and Research within LDI as well as provides for duties and a new Deputy Commissioner for the office. Proposed law repeals the Director and Assistance Director positions of the LA Automobile Theft and Insurance Fraud Prevention Authority and provides that the Commissioner of Insurance shall operate the authority and employ necessary staff. Proposed law repeals the Director and Assistance Director positions of both the LA Health Care Commission and provides that the Commissioner of Insurance shall operate both commissions and employ necessary staff. If appointed, proposed law provides the Chief Deputy Commissioner shall be the First Assistant to the Commissioner; however, if not appointed, the Commissioner shall appoint one of the Deputy Commissioners to First Assistant.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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>	<u>\$0</u>
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 proposed law reorganizes and creates new offices within the LA Department of Insurance (LDI) including a Office of Policy, Innovation, and Research office and a new deputy commissioner position for the new office. The proposed law converts three existing divisions within the Commissioner of Insurance to three offices - (1) Office of Insurance Fraud, (2) Office of Consumer Services, and (3) Office of Legal Services; and creates one new office - (4) Office of Policy, Innovation, and Research. In total, LDI will have four new offices under this measure - the converting existing division into budget units (1) Office of Insurance Fraud, (2) Office of Consumer Services, and (3) Office of Legal Services; and the newly created (4) Office of Policy, Innovation, and Research.

The proposed law creates a new deputy commissioner position for the Office of Policy, Innovation, and Research, which does not currently exist within LDI. The newly created position is anticipated to be funded with self-generated revenues. The department reports the deputy commissioner position will be compensated at an annual salary of \$135,000 plus related benefits. The department has reported that the newly created deputy commissioner position will be converted from an existing position with the same salary funding. Presently, deputy commissioner positions in the department are compensated at an average annual salary of approximately \$155,000 plus related benefits. To the extent that the salary of the new deputy commissioner of the Office of Policy, Innovation, and Research is greater than \$135,000, there will be an increase in SGR expenditures within LDI.

Also, the proposed law deletes the director and assistant director positions of the LA Health Care Commission, LA Automobile Theft and Insurance Fraud Prevention Authority, and LA Property and Casualty Insurance Commission. The Commissioner of Insurance will be responsible for the daily operations of commissions and the authority, including the authority to hire four unclassified positions. The department reports that four of the unclassified positions are currently filled and are being transferred under the authority of the Commissioner of Insurance. Therefore, the proposed law is not anticipated to increase positions or personnel expenditures.

REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer