

OFFICE OF FISCAL ANALYSIS

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sSB-1039

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S RECOMMENDATIONS REGARDING FINANCIAL REGULATION, LIFE INSURANCE AND INSURANCE LICENSING REQUIREMENTS AND TECHNICAL CORRECTIONS TO THE LIFE AND HEALTH INSURANCE STATUTES.

As Amended by Senate "A" (LCO 9202)

House Calendar No.: 627

Senate Calendar No.: 221

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Insurance Dept.	GF - Revenue	104,000 -	104,000 -
	Gain	154,000	154,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill as amended includes various provisions regarding insurance which result in the impacts discussed by section below.

Section 1 results in an annual revenue gain to the General Fund beginning in FY 24 of approximately \$104,000, by requiring certified reinsurers and reciprocal jurisdiction reinsurers to pay the Insurance Department (DOI) \$2,000 for each certificate issued and annually renewed. Currently, there are approximately 17 certified reinsurers and 35 reciprocal jurisdiction reinsurers that would begin paying the fee in FY 24.

The provision in **Section 1** that authorizes DOI to require its fees be paid electronically is not anticipated to result in a fiscal impact because

most payments are already made electronically.

Section 2 allows a non-resident person or entity to get a nonresident state insurance license in Connecticut in certain circumstances, which results in a potential General Fund revenue gain beginning in FY 24, which is anticipated to be less than \$50,000 annually. The revenue gain depends on: (1) the number of non-resident persons and entities that apply to DOI and become licensed, and (2) the specific application, licensing, and renewal fees that correspond to those application and license types.

Sections 3-10 make technical corrections to health insurance statutes that do not result in a fiscal impact. The bill removes requirements that health insurers and HMOs include dependent coverage in “accident-only” policies. That type of policy typically only pays a benefit when the insured sustains injuries or dies due to an accident.

Sections 11 and 12 codify the removal of certain limitations on medically necessary infertility diagnosis and treatment coverage previously issued by the Department of Insurance, resulting in no anticipated fiscal impact to the state or municipal health plans.

Senate “A” makes technical changes that have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of certified reinsurers, reciprocal jurisdiction reinsurers, and non-resident persons and entities paying fees to DOI.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst’s professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.