

FISCAL NOTE(Form 1)
(Office of Fiscal Analysis)
Analyst: *TV 4/29/92*
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Version: 1

BILL NUMBER: sSB 132
FILE NUMBER:
AMENDMENTS: Senate "A"

TITLE: "AN ACT CONCERNING THE INSURERS REHABILITATION AND LIQUIDATION ACT"

FAVORABLY REPORTED BY Insurance, Judiciary

EFFECTIVE DATE: 10/1/92
Section 22, 10/1/93
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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 132

STATE IMPACT	Potential Cost, Within Normal Budgetary Resources, explanation below	see
MUNICIPAL IMPACT	None	
STATE AGENCY(S)	Department of Insurance, Judicial Department	

EXPLANATION OF ESTIMATES:

It is anticipated that there may be a minimal cost for the Department of Insurance as a result of the passage of this bill as amended pertaining to the Insurance Commissioner having the authority to adopt regulations concerning the implementation of procedures to place an insurer in rehabilitation, liquidation or other delinquency proceedings.

Although the bill as amended makes reference to a number of areas of extending the Insurance Department's authority, such as health care centers, it is understood that the Insurance Department has the authority to implement rehabilitation and liquidation proceedings for health care centers at the present time.

There could be some additional work as a result of the passage of this bill as amended such as the supervision of troubled insurers, but for the most part, the bill as amended clarifies responsibilities that the Insurance and Judicial Departments currently are involved with.

The imposition of a \$25,000 penalty upon conviction of any officer, director or employee of an insurance holding company system who wilfully and/or knowingly subscribes or makes false statements with an intent to deceive the Commissioner and the \$10,000 maximum penalty for not filing a registration statement, will not bring additional revenue to the Insurance Fund since necessary assessments will be reduced by this amount. The Department of Insurance is a Special Fund

agency that assesses the insurance companies it regulates and charges fees for its funding.

The passage of the bill as amended could result in a potential cost, which can be absorbed, to the Judicial Department. Under the bill as amended, demands on the courts are increased in several ways. To the extent that the court would be involved with these requirements, potential cost to the Judicial Department would occur, but is indeterminate.

Senate "A" makes technical changes to the bill and changes the effective date of Subsection (F) of Section 22 to October 1, 1993. It has no fiscal impact.

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