

FISCAL NOTE
Requested by Legislative Council
01/10/2007

Bill/Resolution No.: HB 1308

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$400,000)		(\$400,000)	
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

See 2B.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1308 removes the requirement that an insurance company file with and receive prior approval for insurance premium rate and form change for a commercial risk filing in a "competitive market". It is anticipated that the change will reduce revenues from filing fees by \$400,000 per biennium, based on filing fees collected for commercial rate and form filings during the 2005-2007 biennium.

It is estimated that the reduced filings will affect the work of 1/4 FTE in the Property and Casualty Division. The bill, however, requires that the Insurance Commissioner monitor the competitiveness of commercial markets and allows the Commissioner to initiate a proceeding to declare a commercial market to be noncompetitive. The bill also allows a company to request a hearing if a rate filing is disapproved. It is estimated that the additional time required for the Property and Casualty Division to monitor commercial markets and to prepare for and participate in hearings regarding the competitiveness of a market or to defend the denial of a rate filing will offset the 1/4 FTE workload reduction due to the decrease in commercial filings.

It is expected that there may be from 3-6 hearings over the next biennium, which will require additional support from the Legal Division. It is estimated that an additional 1/4 FTE will be required to handle the legal work for these hearings. This work will be absorbed by Legal Division staff.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See explanation above.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See explanation above.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

See explanation above.

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