

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 551** HLS 18RS 826

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 10, 2018	8:11 PM	Author: HUVAL
Dept./Agy.: LA Dept. of Insurance		Analyst: Zachary Rau
Subject: LA Life and Health Insurance Guaranty Association		

INSURANCE

RE NO IMPACT See Note

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Provides relative to the Louisiana Life and Health Insurance Guaranty Association

Present law establishes the LA Life and Health Insurance Guaranty Association. Present law provides that the association is not considered a state subdivision. Proposed law adds health maintenance organizations as members of the association. Proposed law adds association assessments for long-term policies and contracts. Proposed law adds an authorization for the reissuance of policies or contracts by the association. Proposed law retains present law regarding the powers of the Commissioner of Insurance. Proposed law repeals present law authorizing the board of directors to request the commissioner order an examination of any member insurer which the board believes may be insolvent. Proposed law repeals present law requiring the board of directors to prepare a report for the commissioner containing information regarding information relative to the history and causes of any insurer insolvency.

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. Expenditures of the LA Life and Health Insurance Guaranty Association are not considered expenditures of the state pursuant to LA R.S. 22:2085 (C)(1). Furthermore, the LA Dept. of Insurance reports that it does not anticipate any expenditure impacts associated with proposed law.

Note: proposed law adds health management organizations to the association, but exempts organizations contracted with the LA Dept. of Health providing Medicaid managed care organizations.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Revenues of the LA Life and Health Insurance Guaranty Association are not considered revenues of the state pursuant to LA R.S. 22:2085(C)(1)

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