



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 682** HLS 22RS 992
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 2, 2022	6:52 PM	Author: BROWN, CHAD
Dept./Agy.: Insurance		
Subject: Claims Adjuster Database		Analyst: Patrice Thomas

INSURANCE DEPARTMENT RE +\$213,302 SG EX See Note Page 1 of 1
 Provides for a claims adjuster database

Proposed law requires the LA Department of Insurance (LDI) to create and maintain a database of all claims adjusters licensed in the state and all claims adjusters working in this state following a catastrophe. Proposed law requires that the database contain certain information on each registered claims adjuster. Proposed law requires LDI to place the database on their department's website with a search tool so members of the public can find claims adjuster's profile. Proposed law provides the search tool have options to search by first name, last name, or license number.

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.	\$213,302	\$89,595	\$91,404	\$93,250	\$95,133	\$582,684
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$213,302	\$89,595	\$91,404	\$93,250	\$95,133	\$582,684
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law increases state expenditures in the LA Department of Insurance (LDI) by \$213,302 SGR in FY 23 (\$125,480 one-time and \$87,822 recurring) for developing a claims adjuster database and \$89,595 in FY 24 and subsequent years (adjusted for 2% increases) for maintaining the database by one position. The proposed law requires LDI to create and maintain a database of all claims adjusters licensed in the state and all claims adjusters working in this state following a catastrophe.

Currently, there are approximately 114,000 licensed claims adjusters and 9,000 registered catastrophe adjusters for Hurricane Ida. In FY 23, LDI anticipates this measure will require an additional position (Insurance Specialist 2). The position estimate includes (\$51,348 salary and \$32,273 related benefits), operating services (\$3,555), and supplies (\$646), as well as a one-time costs for IT programming and design development (\$122,000), computer equipment (\$2,290), and office furniture (\$1,190). Beginning in FY 24, the department anticipates expenditures associated with salary and related benefits of the Insurance Specialist 2 position of \$85,293 and operating services (i.e. postage, telephone, printing, etc.) of \$4,302. In subsequent fiscal years, this fiscal note assumes a 2% market rate adjustment in salaries for classified position and 2.4% inflation increase in operating services (total expenditures of \$213,302 in FY 23, \$89,595 in FY 24, \$91,404 in FY 25, \$93,250 in FY 26, and \$95,133 in FY 27).

	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Salary/Related Benefit	\$83,621	\$85,293	\$86,999	\$88,739	\$90,514
Operating Expenses	\$4,201	\$4,302	\$4,405	\$4,511	\$4,619
Professional Services	\$122,000	\$0	\$0	\$0	\$0
Equipment	\$3,480	\$0	\$0	\$0	\$0
Total	\$213,302	\$89,595	\$91,404	\$93,250	\$95,133

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 checked="" 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