

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1241** HLS 26RS 3604

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **HB 943**

Date: April 22, 2026	12:42 PM	Author: FIRMENT
Dept./Agy.: Insurance/Department of Children and Family Services		Analyst: Anthony Shamis
Subject: Settlement payments to satisfy child support obligations		

CHILDREN/SUPPORT

EG INCREASE SG RV See Note

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Directs insurers to conduct data matches and to withhold and remit certain insurance and settlement payments to satisfy child support obligations

Proposed law requires insurers issuing certain qualifying insurance payments to exchange information with the Office of Child Support within the Department of Children and Family Services (DCFS) prior to issuing such payments to determine whether a claimant owes past-due child support for one or more children. Proposed law further requires DCFS, to the extent feasible, to facilitate a secure electronic process for the exchange of such information in compliance with applicable state and federal laws and regulations. Proposed law requires an insurer, upon receipt of notice from DCFS identifying a child support obligation and the amount owed, to withhold the specified amount from the qualifying payment and remit such funds to DCFS 20 days of receipt of the notice. Proposed law provides that information furnished by DCFS shall not be used by an insurer or its agent for any purpose other than conducting a data match pursuant to this measure and shall not be disclosed except as necessary to conduct such data match. Proposed law provides immunity from civil and criminal liability for insurers or other entities acting in good faith in compliance with the law. Proposed law provides that insurers shall not be required to delay issuance of qualifying insurance payments to comply with the provisions of this measure and shall not be liable for payments disbursed prior to receipt of notice from DCFS. Proposed law provides that, in the case of periodic payments to a claimant, the insurer shall, prior to issuing each qualifying payment, exchange information with the office in a manner prescribed by DCFS to determine whether the claimant owes past-due child support or a debt to a person receiving services from the office. Effective January 1, 2027.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	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

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law is not expected to have an expenditure impact on the Department of Children and Family Services (DCFS) in Fiscal Year 27 or in subsequent fiscal years.

Information provided by DCFS indicates that there will be no expenditure impact associated with the requirement for insurers to conduct data matches with the department and to withhold certain insurance settlement payments to satisfy outstanding child support obligations.

REVENUE EXPLANATION

Proposed law is anticipated to result in a significant increase in SGR within DCFS associated with increased child support collections, resulting from insurance claim matches that lead to withheld payments. DCFS estimates collections to be significant, possibly in the millions of dollars (\$2 M estimate provided), but collections are speculative and likely subject to variability on an annual basis dependent on the number and value of successful claim intercepts.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Legislative Fiscal Officer