

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 193 HLS 12RS 584

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: April 4, 2012 6:48 AM, Author: REYNOLDS. Row 2: Dept./Agy.: Department of Insurance, Analyst: Alan M. Boxberger. Subject: Provides relative to compensation of personnel.

INSURANCE COMMISSIONER EG NO IMPACT See Note Page 1 of 1
Provides relative to compensation of personnel employed by the commissioner of insurance to conduct examinations of insurers
Present law requires the commissioner of insurance to employ such staff as are necessary to conduct the examination of insurers and to compile a report, sets the compensation for the examination according to the time actually devoted to the work of conducting it and completing the report, and requires that the compensation be reasonable and commensurate with the value of the services performed. The proposed law deleted present law requiring the following elements: that personnel conducting an examination for financial condition be compensated for each day worked at rates no less than the rates provided in the procedural manual of the National Association of Insurance Commissioners or the rates applicable to such personnel under the state civil service pay scale, whichever is greater; that the chief examiner be compensated on the basis of 115% of the insurance examiner in-charge Chief Financial Examiner (CFE) and that the assistant chief examiner be compensated on the basis of 110% of the CFE; that the commissioner invoice the insurer at set intervals for expenses incurred to date; and provides for the deposit and allowable withdrawals of payments thereof.

Table with 7 columns: EXPENDITURES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. All values are \$0.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law deletes present law relative to compensation of certain personnel employed by the Commissioner of Insurance to conduct examinations of insurers. While the current law specifies compensation levels for these individuals on a basis of rates provided in the procedural manual of the National Association of Insurance Commissioners, the salaries of these employees are set by the Louisiana Department of Civil Service. The proposed law deletes this conflicting language from statute.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed law deletes language stating that at completion of the examination or at stated periods during such examination, the commissioner of insurance shall forward to the insurer a statement invoicing the expenses incurred to date. This deletion will not impact amounts due, but deletes vague language regarding billing intervals.