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FISCAL IMPACT REPORT

SPONSOR: Griego DATE TYPED: 02/27/01 HB _____
 SHORT TITLE: Insurance Investigators to Carry Firearms SB 775
 ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI		\$ 18.4	Recurring	OSF

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Office of the Attorney General
 Public Regulation Commission

SUMMARY

Synopsis of Bill

Senate Bill 775 amends the Insurance Fraud Act to remove the provision that explicitly denies the insurance investigators in the Insurance Fraud Bureau (IFB) from carrying firearms. The Bureau is organized into the Public Regulation Commission (PRC).

Significant Issues

Investigators at the IFB of the Insurance Division of the PRC, since creation of the bureau, have sought the authority to carry firearms. Last year, the IFB attempted to purchase firearms but the PRC denied the request based on the existing statute.

FISCAL IMPLICATIONS

Senate Bill 775 does not carry an appropriation but would have a fiscal impact on the PRC, equal to the cost of outfitting each of the investigators with firearms and provide certification and training. Additionally, as the PRC notes, the IFB would be at an increased liability exposure due to possible firearm incidents, which could increase its contributions to the General Services Department (GSD) Risk Management Pool.

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The PRC estimates the additional at \$18.4 of recurring cost to the Insurance Fraud Fund. The IFB budget is adequate to address the impact.

ADMINISTRATIVE IMPLICATIONS

Enactment of the bill will not have an administrative impact on the PRC.

MFV/prr