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FISCAL IMPACT REPORT

SPONSOR: Stewart DATE TYPED: 02/21/01 HB 604
 SHORT TITLE: Insurance Fraud Fund Appropriation SB _____
 ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 160.3			Recurring	Insurance Fraud Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act made for the Insurance Fraud Bureau

SOURCES OF INFORMATION

LFC Files
 Office of the Attorney General
 Public Regulation Commission

SUMMARY

Synopsis of Bill

House Bill 604 appropriates \$160.3 from the Insurance Fraud Fund to the Public Regulation Commission (PRC) to hire two additional investigators. The bill contains a non-reverting clause.

Significant Issues

The funding and new positions would go to the Insurance Fraud Bureau of the PRC.

The House Appropriations and Finance Committee (HAFC) added two new positions (an investigator and prosecutor) to the Bureau to the base executive recommendation of 7.00 FTE in response to the agency's request. Consequently, the Bureau is funded for nine positions. Enactment of House Bill 604 would increase the staff to 11.00 FTE: four attorneys, six special agents (investigators) and an administrative secretary.

The Insurance Fraud Act gives the Superintendent of Insurance discretion to use assistant attorneys general in the investigation and prosecution of insurance fraud cases.

FISCAL IMPLICATIONS

Aside from the appropriation contained in the bill, the bill would not have a fiscal impact.

ADMINISTRATIVE IMPLICATIONS

Enactment of the bill would have place an administrative burden on the Bureau and PRC, who would need to set up these two new positions, in addition to the two positions added by HAFC.

MFV/ar