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FISCAL IMPACT REPORT

SPONSOR:	Leavell	DATE TYPED:	02/10/00	HB	
SHORT TITLE:	PRC Insurance Division Exempt Employees			SB	145/aSPAC
				ANALYST:	Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 80.0		\$ 80.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

LFC Files

Office of the Attorney General (AG)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment eliminates hearing examiners from the list of job titles of which the PRC Insurance Division may declare as exempt, rather than classified state employees. The amendment would reduce the fiscal impact by no more than \$20.0.

Synopsis of Original Bill

Senate Bill 145 authorizes the Superintendent of Insurance, with the consent of the Public Regulation Commission (PRC) Chief of Staff, to designate hearing examiners, deputy superintendents, chief actuaries, and bureau chiefs as exempt positions within the Insurance Division.

Significant Issues

The primary problem PRC faces, with respect to this bill, is that it is unable to attract qualified actuaries to join the staff because the salary is significantly lower than the market is paying outside of state government. By changing the actuarial positions to exempt, the Insurance Division will be able to provide qualified candidates with a salary more commensurate with the market offering. However, the bill does not address other actuarial positions within the division, such as senior and junior actuary positions. It only addresses the salary for one position: the chief actuary.

FISCAL IMPLICATIONS

The bill could apply to as many as 15 positions with the Insurance Division of PRC, which means that if enacted, these positions would be available to receive increases in their salaries. The estimated fiscal impact

would be roughly \$100.0.

MFV/njw:gm