FISCAL IMPACT REPORT

SPONSOR: Luna   DATE TYPED: 01/26/02   HB   277

SHORT TITLE: Limited Insurance Licenses   SB

ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		See Narrative	$0.1	Recurring	General Fund

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	$25.0	$25.0	Recurring	General Fund

SOURCES OF INFORMATION

Public Regulation Commission (PRC)

SUMMARY

   Synopsis of Bill

House Bill 277 allows the superintendent of insurance to issue a limited insurance agent's license to persons selling insurance to cover loss or damage to communications equipment in connection with the sale of such equipment.

   Significant Issues

The PRC states that unless HB 277 is passed the vendors of communications equipment will probably continue to sell insurance for damage or loss of equipment utilizing unlicensed individuals.

FISCAL IMPLICATIONS

The PRC indicates that the Insurance Division will need an additional FTE to issue limited licenses, however the impending automation will make additional staff unnecessary.

The PRC estimates that the new class of limited licenses will bring approximately $25.0 of revenues into the general fund.

ADMINISTRATIVE IMPLICATIONS

The PRC will be able to add issuing of these limited licenses as part of their on-going automation process.

MV/ar