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FISCAL IMPACT REPORT

ORIGINAL DATE 3/6/2017

SPONSOR Harper LAST UPDATED _____ HB 482

SHORT TITLE Search and Rescue Volunteer Insurance Claims SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate				GF/OSF

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)
 Department of Public Safety (DPS)
 Office of the Attorney General (OAG)

SUMMARY

Synopsis of Bill

House Bill 481 amends §24-15A-5 by adding a provision that the DPS search and rescue (SAR) officer shall, with approval of the director, submit to the Risk Management Division (RMD) claims for personal property of volunteers damaged during the course of an authorized mission.

FISCAL IMPLICATIONS

RMD notes no actuarially significant fiscal impact to the State’s property reserve fund.

GSD suggests the impact of adding personal property for volunteers would have a fiscal impact on DPS as most losses would be retained in the deductible (\$2,500 for each occurrence) and a small increase in DPS’s annual premium. Losses may not be covered in their entirety because a volunteer’s own comparative fault is considered in determining the net amount of covered loss.

SIGNIFICANT ISSUES

OAG reports the proposed bill simply requires submission of claims to RMD. The bill does not make any judgment about the validity of a submitted claim, nor does it create law requiring the

claims to be paid, or even for the state to accept or acknowledge liability for any specific claim submitted. The bill's reference to §13-5-1, however, does raise the question of whether that statute provides for insurance coverage of such claims and whether the coverage would extend to search and rescue volunteers. While §13-5-1 does potentially provide coverage for personal property of state agencies and covered educational entities, it defines a "state agency" as "the state or any of its branches, agencies, departments, boards, instrumentalities or institutions", thus leaving it arguable as to whether coverage would extend to volunteers of search and rescue.

DPS notes that the bill places the responsibility of submitting claims for damage of volunteers' personal property on DPS. Personal property could include backpacks, climbing gear, electronics, all-terrain vehicles, and a personally owned vehicle (POV). Personally owned animals such as dogs and horses are also used during the course of search and rescue missions.

ADMINISTRATIVE IMPLICATIONS

In its annual exposure survey to RMD, DPS would be required to provide a list of covered SAR-related equipment so its officers and volunteers know what is or not covered in advance.

DPS noted that SAR resource officers are required to maintain records of SAR missions and the bill would create an additional administrative burden for them.

AHO/sb/al