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PREPARED BY: Sandy Sostad  
DATE PREPARED: February 07, 2011  
PHONE: 471-0054

**LB 280**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 280 is the Discretionary Clause Prohibition Act which provides that health or disability insurance coverage issued in the state shall not contain provisions purporting to reserve discretion to the insurer to interpret the terms of the contract or to determine eligibility to receive benefits. A violation of the act is an unfair trade practice in the business of insurance.

Persons who are determined to have engaged in an unfair trade practice by the Director of the Department of Insurance may be fined up to \$1,000 for each violation, not to exceed an aggregate penalty of \$30,000. Penalties for flagrant violations are up to \$15,000 per violation, not to exceed \$150,000 in the aggregate. The number of violations and assessed penalties pursuant to the bill is unknown, but projected to be small. Any revenue received from penalties is deposited in the Permanent School Fund, from which the interest accrues to public schools on an annual basis.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/24/11	PHONE 471-2526
COMMENTS			
DEPT. OF INSURANCE - Concur.			

Please complete ALL (5) blanks in the first three lines.

2011

LB<sup>(1)</sup> 280 FISCAL NOTE

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JAN 24 2011

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Eric Dunning Date Prepared: <sup>(4)</sup> 01/19/11 Phone: <sup>(5)</sup> 471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.  
Explanation of Estimate:

No Fiscal Impact

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____