

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$8,750		\$8,750
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$8,750		\$8,750

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 198 establishes a new insurance license for persons or entities which sell, solicit, or negotiate limited line pre-need funeral insurance coverage for individuals. Limited line pre-need funeral insurance is life insurance or a fixed annuity purchased from a funeral home or cemetery to pay the cost of funeral services or funeral service merchandise. The current annual fee for a license for an insurance license for an individual is \$60 and for an entity is \$50.

Expenditures: The Department of Insurance (DOI) indicates that existing department staff and resources can handle any increase in activities related to licensing, regulating and monitoring continuing education requirements for individuals and entities impacted by the bill.

Revenue: The number of individuals or entities that may apply for the new insurance line is unknown. DOI estimates that about 500 individuals and 100 entities are currently licensed under the Burial Pre-Need Sale Act. Some of these sellers are also licensed as insurance producers. DOI projects that possibly 25% of the pre-need sellers may not be licensed as insurance producers and may seek the new limited lines pre-need funeral license pursuant to the bill. Assuming 125 new individuals and 25 entities seek licensure, then annual cash fund revenue from license fees will increase by \$8,750.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 198	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Robin Kilgore	DATE: 1-22-15	PHONE: 471-4180
COMMENTS: Concur with agency's estimate of fiscal impact.		

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

2015

LB⁽¹⁾ 198

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Insurance

Prepared by: ⁽³⁾ Robert M. Bell

Date Prepared: ⁽⁴⁾ 1/21/2015

Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	\$8750	_____	\$8750
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Legislative Bill 198 would create a new limited line pre-need funeral insurance producer license to be issued by the Department of Insurance that would allow a licensed person, meaning an individual or entity, to sell, solicit, or negotiate life insurance or a fixed annuity contract purchased solely to pay the costs of funeral services or funeral services merchandise. The fee for individuals is \$60 annually and the fee for entities is \$50.

Currently, the Department licenses approximately 500 individuals and 100 entities under the Burial Pre-Need Sale Act, and some of these individuals and entities are also licensed insurance producers. If 25% of these individuals and entities are not already licensed as insurance producers and seek the new limited lines license allowed under LB 198, then 125 new individuals and 25 new entities would become licensed which would equal additional cash fund revenue of \$8,750.

The Department expects no new expenditures in the implementation of LB 198.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====