

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(\$1,000)		(\$1,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$1,000)		(\$1,000)

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

LB 231 requires nonresident insurance producers to maintain a resident license in the insurance producer's home state. The bill gives the director of the Department of Insurance (DOI) the authority to suspend, revoke, or refuse to issue or renew an insurance producer's license or to levy an administrative fine if a license is not maintained in the insurance producer's home state. The administrative fine is to be no more than \$1,000 per violation.

The DOI indicates there were over 400 nonresident insurance producers who were not licensed in their home state in 2016. The department assumes the bill will cause producers who are not in good standing in their state of residence to not renew their license in Nebraska. The agency estimates that about 10% of the individuals who do not regain good standing in their state will no longer apply for a nonresident license in Nebraska. The cost of an initial license or the renewal of a license in the state is \$50, which is paid once every two years. So, assuming 20 fewer licenses are issued each year, the estimated annual decrease in cash fund revenue is \$1,000.

<b>ADMINISTRATIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 231	AM:	AGENCY/POLT. SUB: Dept of Insurance	
REVIEWED BY: Gary Bush		DATE: 1/25/17	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency.			

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

**2017**

**LB<sup>(1)</sup> 231**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Robert M. Bell Date Prepared: <sup>(4)</sup> 1/24/2017 Phone: <sup>(5)</sup> (402) 471-4650

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$1,000)	_____	(\$1,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>(\$1,000)</b>	<b>=====</b>	<b>(\$1,000)</b>

**Explanation of Estimate:**

LB 231 would require nonresident insurance producers to remain licensed in good standing in their home state. In 2016, over 400 nonresident producers did not have a resident license in their home state. Insurance producers pay a \$50 renewal fee every two years. This note presumes 10% of the 400 licensees will not regain good standing in their home state and, therefore, will not renew their Nebraska nonresident license. Because licenses are renewed every two years, it is projected LB 231 will lead to 20 less renewals annually with a reduction in Department of Insurance Cash Fund revenue \$1,000 annually.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____