

# FISCAL NOTE

September 11, 2017

<b>Bill No:</b>	HB 1576	<b>Printer's No:</b>	PN 2064	<b>Sponsor:</b>	Pickett
-----------------	---------	----------------------	---------	-----------------	---------

### COST / (SAVINGS)

Fund (s)	2017-18	2018-2019
Insurance Regulation and Oversight Fund	"See Fiscal Impact"	"See Fiscal Impact"
General Fund	"See Fiscal Impact"	"See Fiscal Impact"

**SUMMARY:** This legislation amends the act of May 17, 1921, known as the Insurance Department Act, to require one limited lines licensee for travel insurance per retail location.

**ANALYSIS:** This legislation amends the Insurance Department Act by reforming insurance licensure requirements to establish procedures for a limited lines travel insurance producer license. This legislation authorizes a travel retailer registered under the license of a limited lines producer, and each employee or authorized representative of the travel retailer, to offer and disseminate travel insurance coverage to a customer. The licensed limited lines insurance producer must be physically present in the location where the travel retailer or authorized representative engages in travel insurance transactions.

Under current law, travel insurance can only be sold by an individual who holds a limited lines producer license.

A nonrefundable fee of \$400 shall accompany an application for a limited lines travel insurance producer license and any license renewal.

This act shall take effect in 120 days.

**FISCAL IMPACT:** This legislation would result in a loss of revenue due to the reduction in the number of limited lines travel insurance producer licenses that would be issued. However, a majority of the revenue loss would be absorbed by the increased license fee. The Insurance Regulation and Oversight Fund receives 50 percent of all licenses and fees collected by the Insurance Department. The remaining 50 percent is deposited into the General Fund.

<b>2016 Licensing Revenue</b>	
<b>Total current annual revenue = \$162,465</b>	
<b>Agencies (466 total):</b>	
<b>234 renewals each year</b>	<b>Total revenue: \$16,280</b>
<b>Breakdown:</b>	62 non-resident x \$110 = \$6,820
	172 resident x \$55 = \$9,460
<b>Producers:</b>	
<b>815 renewals each year</b>	<b>Total revenue: \$66,660</b>

## FISCAL NOTE

September 11, 2017

<b>Breakdown:</b>	397 non-resident x \$110 = \$43,670
	418 resident x \$55 = \$22,990
<b>New applicants</b>	<b>Total revenue: \$19,525</b>
<b>Breakdown:</b>	35 resident x \$55 = \$1,925
	160 non-resident x \$110 = \$17,600
<b>Appointments</b>	<b>Total revenue: \$60,000</b>
<b>Breakdown:</b>	4,000 appts x \$15 = \$60,000

<b>Projected Licensing Revenue Under HB 1576</b>	
<b>Applicants</b>	<b>Estimated Revenue</b>
234 renewals per year	234 licenses x \$400 = \$93,600
New Applicants	10 x \$400 = \$4,000
Appointments	3,700 x \$15 = \$55,500
<b>Total Estimated Annual Revenue</b>	<b>\$153,100</b>