

The bill may require some insurance companies to change their policy forms and re-file them with the Insurance Department. This is estimated to generate approximately \$8,000 in revenue to the General Fund. An appropriation of \$2,000 from the General Fund to the Insurance Department is needed for processing of the rate forms.

There would be no significant State government fiscal impact on insurance costs or premiums. The impact on local government and other private insurers depends on what grievance procedures they may already have in place. There may be a fiscal impact affecting the insurance rates for some local governments and some private businesses. This could be up to 0.2 percent.

Organizations which are exempt due to ERISA (Employee Retirement Income Security Act of 1974) would not be required to comply.

	<u>FY 01 Approp.</u>	<u>FY 02 Approp.</u>	<u>FY 01 Revenue</u>	<u>FY 02 Revenue</u>
General Fund	\$2,000	\$0	\$8,000	\$0
TOTAL	<u><u>\$2,000</u></u>	<u><u>\$0</u></u>	<u><u>\$8,000</u></u>	<u><u>\$0</u></u>

Individual and Business Impact

The potential cost increase to insurance companies depends on the current grievance procedures they currently have in place. There may be additional costs to those who are insured but these costs may be offset in some situations due to the potential for dispute resolution.

Additional insurance benefits could result in added costs for the mandated benefits. The costs of mandated coverage may be recovered by: 1) reducing other benefits; 2) increasing premiums; 3) reducing insurance company profits; or 4) increasing insurance company losses.
