

Fiscal Note

H.B. 19, 2011 General Session

Short Title: Insurance Law Related Amendments

Sponsor: Dunnigan, J.

State of Utah

State Government (UCA 36-12-13(2)(b))

Enactment of this bill will shift funds from Dedicated Credits to two restricted accounts--Relative Value Study Restricted Account and Insurance Fraud Investigation Restricted Account. The projected amounts for FY 2011 for these dedicated credits are: \$85,700 for Relative Value Study and \$1,984,500 for Insurance Fraud Investigation. The FY 2010 ending balances for the dedicated credits were \$208,688 for Relative Value Study and \$73,923 for Insurance Fraud Investigation. There is no net change expected in the amount of funds collected for each account. Additionally, any possible collection of the \$50,000 withdrawal fee included in Section 31A-4-115 would be excluded for captive insurance companies.

Raising the cap for nonlapsing funds in the Captive Insurance Restricted Account from \$600,000 to \$950,000 will result in a loss of revenue to the General Fund of up to \$350,000 starting in FY 2014. The historical amount of lapsed funds to the General Fund includes: \$8,598 (FY2007), \$567,334 (FY2008), \$445,328 (FY2009), and \$637,220 (FY2010).

State Budget Detail Table

	FY 2011	FY 2012	FY 2013
Revenue	\$0	\$0	\$0
Expenditure:			
Dedicated Credits	(\$165,400)	(\$1,984,500)	\$0
Dedicated Credits	(\$7,100)	(\$90,000)	\$0
Restricted Funds	\$165,400	\$1,984,500	\$0
Restricted Funds	\$7,100	\$90,000	\$0
Total Expenditure	\$0	\$0	\$0
Net Impact, All Funds (Rev.-Exp.)	\$0	\$0	\$0
Net Impact, General/Education Funds	\$0	\$0	\$0

Local Governments (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments.

Direct Expenditures by Utah Residents and Businesses (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.