

This bill could have a significant fiscal impact on State and local government and private business as well. Authority is granted to the Insurance Commissioner through the rule making process to mandate some types of insurance benefits.

Additional insurance benefits could result in added costs for the benefits mandated by the Commissioner's rulemaking. 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.

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

Coverage for several specific conditions are listed in the bill. These have no additional fiscal impact since this legislation conforms with federal statute and affected insurance companies are already required to abide by these provisions.

	<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
<b>TOTAL</b>	<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**

There could be a fiscal impact to several specified groups. If the authority is used to mandate some specific benefits, the impact would be three-fold. First, affected individuals could realize a savings from the additional treatment regarding their condition. Second, the general population of insured individuals may experience a premium increase, the amount of which would depend on the mandated benefit. This may be paid by the insured individual or their employers. Third, insurance companies may be required to file a rate change form at a cost of \$20.00 per form.

---