

STATE OF UTAH

Fund Information

FINET Name: (INS) Captive Insurance Restricted Acct

FINET Fund: 1423

Legal Name: Captive Insurance Restricted Account

Legal Authorization: UCA 31A-3-304

Earns Interest: Yes No **Earns Interest Authority:**

Revenue Source(s):

1) Annual fees paid by captive insurance companies to obtain or renew a certificate of authority.

Description:

HB 39 (2010 GS) Created 4 new general fund restricted accounts. 1) Creates the Technology Development Restricted Account, which shall consist of fees imposed by the commissioner to enforce Section 31A-3-104. Monies shall be used to provide services through use of electronic commerce or other similar technology. 2) Creates the Criminal Background Check Restricted Account, which shall consist of the certain fees imposed by the Insurance Commissioner. The fees deposited shall be used to pay the costs related to obtaining criminal background information. 3) Creates the Captive Insurance Restricted Account, which is funded by annual fees paid by captive insurance companies to obtain or renew a certificate of authority (currently rev stream is a dedicated credit). Money in excess of \$250,00 shall be treated as free revenue in the General Fund (fund cap). Beginning in FY 11, the cap will be \$750,000 (HB 294 modified this amount though). The commissioner shall use money in the account to administer and enforce Chapter 37, the Captive Insurance Companies Act, and to promote the captive insurance industry in Utah. 4) Creates the Title Licensee Enforcement Restricted Account which consists of annual assessment fees received by the State per UCA 31A-23a-415. Money deposited shall be used only to pay a cost or expense incurred by the department in the administration, investigation, and enforcement of Parts 4 and 4 of Chapter 23a. It is intent of Legislature that money received in FY10 is considered dedicated credits and in closing out FY 10, unspent shall lapse to the appropriate new restricted account created by this bill.

HB 294 (2010 GS) Modifies the cap from \$750,000 to \$600,000 on funds received by the department that shall be treated as free revenue in the General Fund.

HB 19 (2011 GS) Created 3 new restricted accounts within the General Fund. The bill also increases the cap on the Captive Insurance Restricted Account (#1423) from \$600,000 to \$950,000, effective July 1, 2013, and increases the assessments deposited into the Title Licensee Enforcement Restricted Account (#1424).

HB 47 (2013 GS) Modifies the Insurance Code. Increases the cap on money received for deposit in the Captive Insurance Restricted Account (#1423) effective July 1, 2015. (Increases cap from \$950,000 to \$1,250,000.) Creates the Insurance Fraud Victim Restitution Fund (#2330), a restricted special revenue fund. The fund shall consist of money paid as court-ordered restitution to victims of insurance fraud (prior to this bill the restitution was deposited into Fund 1427, Insurance Fraud Restricted Account). Provides that the commissioner shall administer the Insurance Fraud Victim Restitution fund for the sole benefit of insurance fraud victims.

Fund Balance History:

| <u>Fund</u> | <u>Year</u> | <u>Beg Balance</u> | <u>Revenues</u> | <u>Expenses</u> | <u>Transfers</u> | <u>End Balance</u> |
|-------------|-------------|--------------------|-----------------|-----------------|------------------|--------------------|
| 1423 | 2010 | \$0 | \$0 | \$0 | \$107,211 | \$107,211 |
| 1423 | 2011 | \$107,211 | \$1,077,798 | \$0 | (\$1,142,198) | \$42,811 |
| 1423 | 2012 | \$42,811 | \$1,408,540 | \$0 | (\$1,451,351) | \$0 |
| 1423 | 2013 | \$0 | \$1,800,050 | \$0 | (\$1,800,049) | \$1 |