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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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SB592 AS REPORTED WITHOUT AMENDMENT

Sponsor
Committee

Sen. Jr., Bill Bullard
INSURANCE AND FINANCIAL
SERVICES

Analyst(s) Schneider, Bob

Completed 10/17/01

State Fiscal Impact

Local Fiscal Impact

Cost	Indeterminate/Decrease
Revenues	Indeterminate/Decrease

Cost	None
Revenues	None

The bill would eliminate the current law requirement that third party administrators employ at least one licensed administrative service manager. Under current law, such managers must apply for licensure to the Office of Financial and Insurance Services (OFIS) and must take a written examination. The OFIS collects a \$10 application fee and a \$10 examination fee from each applicant upon his or her initial application. Current law allows the OFIS to re-examine licensed managers up to once a year, although this has not been standard practice.

The fees imposed in current law would be eliminated as would all related revenue. In recent fiscal years, the OFIS has annually collected between \$13,000 and \$15,000 in fee revenue from third party administrators. While the exact amount of this revenue attributable to these fees is indeterminate at this time, it is likely that the fees account for a very small amount of the revenue. To a similar degree, OFIS costs would be reduced very slightly as the office would no longer incur any costs related to evaluating applications and administering examinations.