

Revised to include AM2558

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	0		0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>0</b>		<b>0</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB774 is to add additional protection of the interest of insureds, claimants, ceding insurers, assuming insurers, and the public generally. The Legislature’s original intent was to ensure adequate regulation of insurers and reinsurers and adequate protection for those to whom they owe obligations. The bill adds additional protections requiring assuming insurers have the head office or be domiciled in, as applicable, and be licensed in a reciprocal jurisdiction as defined in the bill and as authorized by the director of the Department of Insurance. The Department of Insurance does not anticipate a fiscal impact.

As amended by AM2558, the amendment retains the original provisions of LB774 and contains the provisions of three other bills relating to the banking and finance.

The affected bills with the amendment are summarized as follows:

**LB886-** LB 886 requires that Nebraskans who have a health care insurance plan and receive services from a network provider will not be charged any other rates than those negotiated by the health insurer. The bill also states that providers/facilities cannot hold itself out as a network provider through advertising, displaying of the insurer’s logo or any other means unless the provider is actually a network provider.

The Department of Insurance does not anticipate a fiscal impact. If the bill should result in additional duties for enforcement activities, the Department can absorb these duties with existing resources.

**LB954-** LB 954 directs that dental benefit policies to not include any restrictions of methods of claim payment for dental services in which the only acceptable method of payment for dental services is a credit card payment or restrictions granting access to its dental services provider network contract to a third party unless certain requirements are met.

The requirements in the bill allow for an insurer to grant access to the third party if 1) the insurer allows any dental service provider to choose not to participate in third-party access and the provision is clearly identified in the dental services contract, 2) the insurer includes on its website all third parties who have been granted access to the dental services provider network contract 3) the third party agrees to comply with all of the provider network contract’s terms.

The Department anticipates no fiscal impact as a result of LB 954. No increased duties are expected of the Department, however, should there be any increased enforcement requirements, these duties will be absorbed by existing resources.

The Department of Administrative Services and the University of Nebraska report there would be no fiscal impact to the State or the University.

**LB1199-** LB1199 relates to the Motor Vehicle Services Contract Reimbursement Insurance Act. The bill includes provisions to add language to further define the standards and obligations of a motor vehicle contract provider who issues an insurance policy subject to the act. The bill further requires the motor vehicle service contract provider to file a copy of the forms, policies and notice of filing with the Department of Insurance to clearly outline the contract obligations in clear language. The bill also defines the obligations of the Department of Insurance director in the event the motor vehicle service contract provider fails to comply with the act.

The Department of Insurance anticipates that there will be additional filings to the department; however, these additional duties will be absorbed by existing resources.

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**2020**

**LB<sup>(1)</sup> 774, AM2558**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Insurance

Prepared by: <sup>(3)</sup> Thomas Green Date Prepared: <sup>(4)</sup> 3/4/2020 Phone: <sup>(5)</sup> 402-471-4650

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 774, AM 2558 addresses four distinct matters. The first portion modifies the existing statutes related to credit for reinsurance to bring them into compliance with certain international treaties. The second portion prohibits certain acts by institutions providing health care services. The third portion places certain requirements on methods of claim payments and the granting of access to a dental services provider network to a third party. The fourth and final section makes a number of significant changes to the requirements for motor vehicle service contracts.

The Department anticipates no fiscal impact as a result of LB 774, AM 2558. There may be some additional filings with the department as a result of the passage of LB 774, AM 2558, however the review and/or handling of such filings, along with any increased enforcement requirements arising out of LB 774, AM 2558, will be absorbed by existing resources.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>