

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1400/1	Introduction Number SB-047	
Description Relating to: increasing the limit on policies issued by the state life insurance fund		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By OCI/ Jim Guidry (608) 264-6239	Authorized Signature Sean Dilweg (608) 266-3585	Date 3/13/2007

Fiscal Estimate Narratives

OCI 3/14/2007

LRB Number	07-1400/1	Introduction Number	SB-047	Estimate Type	Original
Description Relating to: increasing the limit on policies issued by the state life insurance fund					

Assumptions Used in Arriving at Fiscal Estimate

SB 47 would increase the policy limits on policies issued by the State Life Insurance Fund from \$10,000 to \$20,000.

OCI estimates that as a result of this increase, the State Life Insurance Fund (SLIF) would see an increase in revenues as a result of increased premiums charged to policy holders due to this increased limits. SLIF would also see an increase in expenditures from increased administrative functions and increased labor activities to accommodate an increase in underwriting and new policy issues. SLIF would also experience a rise in death benefit payments (although not right away). SLIF is not permitted by statute to advertise, so it is not possible to ascertain the effect of this increase on existing policyholders or new policyholders. Some policyholders may apply for the increased coverage, while some new policyholders may decide to purchase a policy because of the higher policy limits. OCI does not know what the number of policyholder additions to policy limits or increases in the number of covered lives may be. OCI estimates that the increased labor costs would be approximately \$20,100 from the addition of .5 positions within the SLIF. The other factors, however, contain too many variables to make a credible estimation.

Long-Range Fiscal Implications