

### Fiscal Estimate - 2009 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 09-3718/2		<b>Introduction Number</b> AB-0673	
<b>Description</b> Increasing the limit on policies issued by the state life insurance fund			
<b>Fiscal Effect</b>			
<b>State:</b>			
<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 type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<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			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
OCI/ Jim Guidry (608) 264-6239		Sean Dilweg (608) 266-3585	
		<b>Date</b>	
		3/22/2010	

**Fiscal Estimate Narratives**  
**OCI 3/22/2010**

LRB Number <b>09-3718/2</b>	Introduction Number <b>AB-0673</b>	Estimate Type <b>Original</b>
<b>Description</b> Increasing the limit on policies issued by the state life insurance fund		

**Assumptions Used in Arriving at Fiscal Estimate**

AB 673 would increase the policy limits on policies issued by the State Life Insurance Fund from \$10,000 to \$75,000.

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.

**Long-Range Fiscal Implications**