

FISCAL NOTE

Bill #: SB0373

Title: Licensing and regulation of captive insurers

Primary Sponsor: Mike Halligan

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:		
State Special Revenue	20,000	20,000
Revenue:		
General Fund	10,000	20,000
State Special Revenue	20,000	20,000
Net Impact on General Fund Balance:	10,000	20,000

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. There will be two captive insurance companies licensed in Montana in each year of the biennium.
2. The captive insurance companies licensed in Montana will pay \$5,000 each year in premium taxes.
3. A financial examination will be performed on each company to determine its financial condition in its first year of existence in Montana. Each examination will cost \$10,000.
4. Based upon existing cost of examinations presently completed by the State Auditor's Office, examination fees will be \$20,000 each year for these examinations.

5. Each company will reimburse the State Auditor's Office for the cost of the financial examinations. These fees will go into the Insurance Examinations state special revenue account.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
State Auditor's Office (3401)- Program 03		
<u>Expenditures:</u>		
Operating Expenses	20,000	20,000
<u>Funding:</u>		
State Special Revenue (02)	20,000	20,000
<u>Revenues:</u>		
General Fund (01)	10,000	20,000
State Special Revenue (02)	20,000	20,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	10,000	20,000
State Special Revenue (02)	0	0