



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0937.01: Create insurance website with insurance commissioner to assist consumers**

Primary Sponsor: Nelly Nicol Status: As Introduced

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
Expenditures				
General Fund (01)	\$10,000	\$0	\$0	\$0
State Special Revenue (02)	\$160,100	\$86,832	\$85,041	\$85,676
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$10,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 937 requires the Commissioner of Insurance to compile a list of all admitted insurance carriers and insurance producers and publish the list on the Commissioner's website. The website must provide search functions by type of insurance and must provide the information in randomized order daily.

FISCAL ANALYSIS

Assumptions

State Auditor's Office

1. HB 937 requires the State Auditor's Office (SAO) Commissioner of Insurance to list all admitted insurance carriers and insurance producers in good standing to sell insurance for the admitted carriers on the SAO website.
2. The SAO can obtain the insurance producers and admitted insurance carriers and related contact information from the National Association of Insurance Commissioners.
3. The information must provide the classification of insurance that may be required by a consumer. For purposes of this fiscal note, the classification of insurance includes, but is not limited to: health, Medicare supplement, individual lines of insurance, commercial lines of insurance, property, life, annuity, term life, whole life, auto, workers compensation, liability, and pet insurance.
4. The classification of insurance is not currently available to the SAO. An initial and ongoing annual survey of all insurance producers will be required to gather the classification of insurance which those producers sell.
5. There are currently 1,388 admitted insurance carriers and 141,100 insurance producers, including resident and non-resident, in good standing that will need to be surveyed.

6. The website must include categories and search terms deemed necessary to assist consumers in finding insurance coverage, and the information must be displayed in a randomized order daily. The SAO will create a database with the required information for display on the website. The SAO has a contract with a contractor that will be utilized to develop the database, complete the survey of insurance carriers and insurance producers, and incorporate the survey results into the database. The SAO estimates it will require 670 hours to complete this work, at a contract rate of \$253.88 per hour (current FY 2025 contract rate of \$250 plus a 1.5% inflationary factor = \$253.88). The database development and initial survey administration and processing is estimated to cost \$170,100 (670 hours x \$253.88 per hour).
7. HB 937 provides a general fund appropriation of \$10,000 that will be used to offset these costs in FY 2026.
8. The SAO estimates the annual maintenance and survey after the initial year of implementation will require 200 hours each year with the contractor. The hourly rate includes a 1.5% annual inflation factor. The estimated annual cost for FY 2027 through 2029 is as follows:

Fiscal Year	Hourly		Total
	Rate	Hours	
2027	\$ 257.69	200	\$ 51,538
2028	\$ 261.55	200	\$ 52,311
2029	\$ 265.48	200	\$ 53,095

9. The SAO will require a 0.50 Licensing Technician position to manage and process the insurance carrier and insurance producer information updates, questions, and customer service calls related to the database and website. The SAO will require the position beginning in FY 2027 after the initial implementation. The annual personal services cost of the position, including benefits, will be \$32,494 for FY 2027, \$32,730 for FY 2028, and \$32,581 for FY 2029.
10. The new employee office package and computer equipment cost will be \$1,600 and \$1,200, respectively, for a total of \$2,800 in FY 2027.

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<u>Fiscal Impact</u>				
FTE	0.00	0.50	0.50	0.50
TOTAL Fiscal Impact	0.00	0.50	0.50	0.50
<u>Expenditures</u>				
Personal Services	\$0	\$32,494	\$32,730	\$32,581
Operating Expenses	\$170,100	\$54,338	\$52,311	\$53,095
TOTAL Expenditures	\$170,100	\$86,832	\$85,041	\$85,676
<u>Funding of Expenditures</u>				
General Fund (01)	\$10,000	\$0	\$0	\$0
State Special Revenue (02)	\$160,100	\$86,832	\$85,041	\$85,676
TOTAL Funding of Expenditures	\$170,100	\$86,832	\$85,041	\$85,676
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$10,000)	\$0	\$0	\$0
State Special Revenue (02)	(\$160,100)	(\$86,832)	(\$85,041)	(\$85,676)

Sponsor's Initials

Date

4/5

Budget Director's Initials

Date

4/4/2025