


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0826
Prime Sponsor(s): Rep. Apuan
 Sen. Tochtrop

Date: February 22, 2010
Bill Status: House SVMA
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE IMPLEMENTATION OF A UNIFORM APPLICATION FORM FOR INDIVIDUAL HEALTH BENEFIT PLANS BY THE COMMISSIONER OF INSURANCE.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Transfers or Diversions Diversion from the General Fund to the Division of Insurance Cash Fund*	\$6,219	
State Expenditures Cash Funds Division of Insurance Cash Fund	\$4,902	
FTE Position Change	0.1 FTE	
Effective Date: July 1, 2010.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

**Diversion is higher than expenditures to account for Expenditures Not Included shown in the fiscal note.*

Summary of Legislation

This bill requires the Commissioner of Insurance to implement a uniform application for individual sickness and accident health benefit plans to be used on or after January 1, 2012.

State Transfers and Diversions

This bill diverts \$6,219 from the General Fund in FY 2010-11. This diversion occurs because the bill increases costs in the Department of Regulatory Agencies, Division of Insurance, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

State Expenditures

Expenditures of the Division of Insurance in the Department of Regulatory Agencies will increase by \$4,902 and 0.1 FTE in FY 2010-11 only. The commissioner will collect information from members of the insurance industry and promulgate rules to implement a uniform application. This will require review of recommendations, drafting of a regulation, a public hearing on the proposed application, and publication and distribution of the regulation.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 1.

Table 1. Expenditures Not Included Under HB10-1242*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$410	
Supplemental Employee Retirement Payments	182	
Indirect Costs	709	
Workers' Compensation and Risk Management	15	
TOTAL	\$1,316	\$0

**More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>*

State Appropriations

For FY 2010-11, the Division of Insurance requires an appropriation of \$4,902 and 0.1 FTE from the Division of Insurance Cash Fund.

Departments Contacted

Regulatory Agencies Law