

FISCAL NOTE

Prepared in regard to:

House Bill No. 1573

(List bill or resolution and number, if available, or subject)

Amendment to:

(List bill or resolution and number)

Requested by:

Legislative Council

Date of receipt:

January 27, 1981

In the following space note the fiscal effect in dollars of the legislative proposal:

Narrative:

A fiscal note for H. B. 1573 would involve an appropriation for the cost of establishing a state owned and operated automobile insurance company.

Start-up costs and operating costs for the first biennium are estimated. Premium income for the period cannot be estimated nor can losses; therefore, no amount for those items are included. The item of reinsurance is strictly an estimate. There is a possibility that reinsurance would be unavailable with this program.

Estimated costs are as follows:

To Carry On The Activities That Are Generally Associated With An Insurance Business

Special Surplus For Payment Of Claims.	\$250,000
Administrator (Deputy)	40,000
Office Clerk, Etc.	20,000
Fringe Benefits For The Two Above.	9,000
Office Rent.	5,000
Office Supplies.	8,000
Office Equipment	2,000
Postage.	300
Reinsurance.	10,000
Telephone.	400
Consulting Actuary	5,000
Claims Adjusting Service	15,000
Legal Counsel.	20,000
	<u>\$384,700</u>

Fiscal Effect:

<u>1981-82</u>		<u>1982-83</u>		<u>Total Biennium</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
	\$192,350.00		\$192,350.00		\$384,700.00

Signed J. O. Wigen
 Typed Name J. O. Wigen
 Department Insurance

Date Prepared: Feb. 2, 1981

If additional space is needed, attach a supplementary sheet.