# Individual State Agency Fiscal Note

| Bill Number: 5026 SB | Title: Insurance producer education | Agency: 160-Office of Insurance Commissioner |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---|---|---|---|---|
| FTE Staff Years | 0.2 | 0.0 | 0.1 | 0.0 | 0.0 |
| **Account** | | | | | |
| Insurance Commissioners Regulatory Account-State 138-1 | 24,613 | 0 | 24,613 | 0 | 0 |
| **Total $** | 24,613 | 0 | 24,613 | 0 | 0 |

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

| | | | |
|---|---|---|---|
| Legislative Contact: | Kellee Gunn | Phone: 786-7429 | Date: 01/04/2023 |
| Agency Preparation: | Andrew Davis | Phone: 360-725-7170 | Date: 01/09/2023 |
| Agency Approval: | Michael Wood | Phone: 360-725-7007 | Date: 01/09/2023 |
| OFM Review: | Jason Brown | Phone: (360) 742-7277 | Date: 01/09/2023 |

# Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1(2)(c) removes the requirement for individuals applying for a resident insurance producer license to complete a prelicensing course of study for the lines of authority for which the person applied.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Section 1(2)(c) removes the requirement for individuals applying for a resident insurance producer license to complete a prelicensing course of study for the lines of authority for which the person applied. The Office of Insurance Commissioner (OIC) will be required to make changes to its Information Technology (IT) systems to turn off and remove the prelicensing exam functionality. The IT changes will be minor in nature and can be absorbed through the normal course of OIC business.

Section 1 will require 'simple' rulemaking, in FY2024, to revise several existing rules under Chapter 284-17 WAC that pertain to prelicensing education requirements.

# Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---|---|---|---|---|---|---|
| 138-1 | Insurance Commissioners Regulatory Account | State | 24,613 | 0 | 24,613 | 0 | 0 |
| | | **Total $** | 24,613 | 0 | 24,613 | 0 | 0 |

### III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---|---|---|---|---|
| FTE Staff Years | 0.2 | | 0.1 | | |
| A-Salaries and Wages | 14,891 | | 14,891 | | |
| B-Employee Benefits | 4,799 | | 4,799 | | |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 4,923 | | 4,923 | | |
| G-Travel | | | | | |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| **Total $** | 24,613 | 0 | 24,613 | 0 | 0 |

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

| Job Classification | Salary | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---|---|---|---|---|---|
| Functional Program Analyst 4 | 80,952 | 0.1 | | 0.0 | | |
| Senior Policy Analyst | 108,432 | 0.1 | | 0.1 | | |
| **Total FTEs** | | 0.2 | | 0.1 | | 0.0 |

**III. D - Expenditures By Program (optional)**

NONE

# Part IV: Capital Budget Impact

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

# Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Section 1 will require ‘simple’ rulemaking, in FY2024, to revise several existing rules under Chapter 284-17 WAC that pertain to prelicensing education requirements.