



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

SENATE BILL NO. 1241

PRINTER'S NO. 1914

PRIME SPONSOR: Gebhard

### COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
Insurance Regulation and Oversight Fund	See Fiscal Impact	See Fiscal Impact

### SUMMARY:

This legislation removes the preexamination education program requirements for the insurance producer licensing examination and for individuals applying for an insurance producer license.

### ANALYSIS:

Senate Bill 1241, Printer's Number 1914 amends Act 285 of 1921, known as The Insurance Department Act of 1921, to remove the preexamination education program requirements from individuals applying for an insurance producer license. This legislation also removes the preexamination education program requirements as a requirement for the Department of Insurance to administer the insurance producer licensing examination.

This legislation adds requirements for continuing education for insurance producers as follows:

- 3 credits on the topic of ethics for all licensees.
- 2 credits on the topic of flood insurance for licensees with a property or casualty line of authority.

This legislation will take effect within 180 days of enactment.

### FISCAL IMPACT:

The Department of Insurance has the responsibility to administer the insurance producer licensing examination. The department is also responsible for the review and approval of insurance producer license applications. By removing the preexamination education program requirements, more individuals may apply for both the insurance producer licensing examination and for an insurance producer license. However, the additional number of applicants cannot be determined at this time.

Any increase in insurance producer licenses may result in increased revenue to the commonwealth as each new insurance producer pays an initial licensing fee of \$55 and timely renewal fee of \$55 for each subsequent year. Additional payments received by the department for new insurance producer licensing fees would increase the balance in the Insurance Regulation and Oversight Fund. However, as the additional number of licensees cannot be determined at this time, the increase to revenue received by the fund is indeterminate.

In addition to issuing insurance producer licenses, the department is responsible to ensure compliance with the requirements for continuing education as part of the insurance producer license renewal. At this time, the department does not expect any increased administrative costs associated with the requirements for continuing education included in this legislation. The department appropriation for administration is funded through the Insurance Regulation and Oversight Fund.

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*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*