

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6343
BILL NUMBER: SB 33

DATE PREPARED: Nov 18, 1999
BILL AMENDED: Nov 18, 1999

SUBJECT: Mutual Insurance Holding Companies.

FISCAL ANALYST: Alan Gossard
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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes a mechanism under which a mutual insurance company (MIC) may reorganize as a mutual insurance holding company (MIHC). The bill requires the MIC to submit a plan of reorganization for approval by the Commissioner of the Department of Insurance. The bill also requires a public hearing and notice to members of the MIC regarding the reorganization. It also requires a two-thirds vote in favor of the reorganization by those members voting. The bill also specifies rules for the operation of an MIHC, including limits on the issuance and ownership of stock associated with the MIHC.

Effective Date: Upon passage.

Explanation of State Expenditures: The Commissioner of Insurance may, at the expense of the insurance company involved, hire accountants, actuaries, attorneys, financial advisors, investment bankers, and other experts to assist the Department in fulfilling the requirements of this bill. The Commissioner may require the responsible company to deposit funds with the Department in anticipation of these expenses.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources: