

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7269

BILL NUMBER: SB 418

DATE PREPARED: Feb 1, 2000

BILL AMENDED: Jan 31, 2000

SUBJECT: Intangible assets of an insurance subsidiary.

FISCAL ANALYST: Jim Mundt

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) This bill authorizes the insurance commissioner to increase to an amount not to exceed 20% of an insurer's capital and surplus the current statutory limit on the total value of goodwill, trade names, and other intangible assets that can be recognized as admitted assets if: (1) the insurer's assets include goodwill, trade names, and other intangible assets that are attributable to the insurer's acquisition of another insurer or a health maintenance organization after December 31, 1998; and (2) as of the date of the initial request for an increase, the total adjusted capital of the insurer is at least 400% of the authorized control level risk based capital of the insurer as most recently reported. (The current statutory limit provides that the total value of goodwill, trade names, and other intangible assets of an insurer that can be recognized as admitted assets of the insurer cannot exceed 10% of the insurer's capital and surplus.)

Effective Date: January 1, 2000 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: