

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7920
BILL NUMBER: SB 589

NOTE PREPARED: Jan 13, 2005
BILL AMENDED:

SUBJECT: Independent college self-insurance program.

FIRST AUTHOR: Sen. Lubbers
FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill allows independent colleges and universities to enter into agreements to jointly self-insure certain retained risks under certain circumstances. It requires reports to the Department of Insurance.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The bill would allow independent colleges and universities to enter into agreements to jointly self-insure certain risks and purchase excess insurance coverage. The bill establishes the Independent Educational Institution Self-Insurance Consortiums. The Consortium would consist of 5 or more Indiana public and private colleges and universities and would be able to self insure the following risks:

1. Casualty insurance, including:
 - a. Educator legal liability;
 - b. Other liability; and
 - c. Student accident.
2. Property insurance, including inland marine insurance.
3. Motor vehicle insurance.
4. Surety and fidelity insurance.
5. Umbrella and excess insurance.
6. Worker's compensation insurance.

The consortium has to maintain a reserve of at least \$1 M and submit an annual financial statement to members and the Department of Insurance .

The consortium could reduce the insurance costs to colleges and universities by allowing them to pool their risks.

The bill should not increase the expenditures of the Department of Insurance.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Private and Public College and Universities.

Local Agencies Affected:

Information Sources:

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