



# 125th MAINE LEGISLATURE

LD 1352

LR 588(01)

## An Act To Implement the Requirements of the Federal Nonadmitted and Reinsurance Reform Act of 2010

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Richardson of Warren

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
<b>Revenue</b>				
General Fund	\$200,000	\$200,000	\$200,000	\$200,000

#### Fiscal Detail and Notes

Amending surplus lines eligibility standards and nonadmitted insurance premium tax laws to conform to the federal Nonadmitted and Reinsurance Reform Act (NRRA) of 2010 will increase General Fund revenue by approximately \$200,000 each fiscal year starting in fiscal year 2011-12. This bill also authorizes the State Tax Assessor to enter into a multistate agreement in accordance with the NRRA for reporting of nonadmitted insurance premiums and collection and allocation of nonadmitted insurance taxes. Entry into such an agreement is anticipated to increase surplus lines tax revenue. The amount of the increase will depend upon the timing and terms of the multistate agreement and on which states participate, and cannot be estimated with precision at this time. The increase in revenue resulting from the multistate agreement could be up to \$940,000 per fiscal year.