

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2019 REGULAR SESSION**

MEASURE

2019 BR NUMBER 1347

HOUSE BILL NUMBER 508 HCS1/HFA3

TITLE AN ACT relating to the Educators Employment Liability Insurance Program, making an appropriation therefor, and declaring an emergency.

SPONSOR Representative Angie Hatton

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES			
NET EFFECT			

() indicates a decrease/negative

PURPOSE OF MEASURE: The amendment adds classified employees of Kentucky public schools as participants in the Educators Employment Liability Insurance Program.

FISCAL EXPLANATION: The amendment would increase total liability insurance premium costs since additional employees would be participants in the Educators Employment Liability Insurance Program. Currently, there are approximately 50,600 certified employees and 46,500 classified employees of public schools.

The Department of Insurance (DOI) indicates the Liability Insurance Program would be an "excess" policy and \$7,000,000 would not be sufficient funding to provide up to \$2,000,000 in coverage to more than 97,000 employees. However, depending on how the underlying bill is interpreted, a policy could be purchased that provides coverage of an amount less than \$2,000,000. DOI states that \$7,000,000 for annual premiums would likely be sufficient to provide \$1,000,000 in coverage to those employees, instead of \$2,000,000 in coverage.

DATA SOURCE(S): LRC Staff, Department of Insurance

PREPARER: Seth Dawson **NOTE NUMBER:** 122 **REVIEW:** JAB **DATE:** 3/5/2019

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