

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 806 KAR 17:240

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation This administrative regulation establishes the data elements and the format for submitting annual reports to the Department of Insurance.

(b) The necessity of this administrative regulation: KRS 304.2-110(1) authorizes the Commissioner of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code as defined in KRS 304.1-010 through KRS 304.99-154. This administrative regulation establishes a uniform method for submitting annual reports to the Department of Insurance.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 304.17 A-330 authorizes the Commissioner to prescribe the format for reporting the information required by KRS 304.17 A-330. This administrative regulation prescribes that format.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes a uniform method for submitting annual reports to the Department of Insurance. Uniformity in format will greatly assist the Department in fairly and efficiently evaluating the information that is provided.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendments to this administrative regulation are technical in nature, and address the drafting and formatting requirements set forth in Chapter 13A. Other amendments include, updating “electronic format” definition and removing CD Rom as a sub mission option, update the “insurer” definition citation, update incorporated forms, as well as adding Annual Reports 8 and 9.

(b) The necessity of the amendment to this administrative regulation: The amendments made to this regulation are necessary to bring the regulation up to date by removing and editing any outdated definitions (i.e. CD Rom) as well as incorporating the new Annual Reports that may need to be filed.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 304.2-110(1) authorizes the Commissioner promulgate any administrative regulations necessary.

304.17A-330 requires that all insurers authorized to write health insurance in this state and employer organized associations that self-insure must submit an annual report to the Commissioner no later than July 31 of their insurance experience, this regulation lays out the details of how to do so.

(d) How the amendment will assist in the effective administration of the statutes: These amendments address the changes needing to be made in order for the regulation to properly lay out the data elements and format for proper submission of the required annual reports.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Health insurers writing business in Kentucky and self-insured Employer Organized Associations.

(4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: Follow the proper reporting procedures laid out in the administrative regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: There is no expected cost associated with this regulation.

(c) As a result of compliance, what benefits will accrue to the entities: The annual report will not be denied by the Commissioner.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Implementation of this amendment is not anticipated to have an initial cost on the Department of Insurance.

(b) On a continuing basis: Implementation of this amendment is not anticipated to have an on-going cost on the Department of Insurance.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department will use funds from its current operational budget to perform the tasks necessary.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:

(9) TIERING: Is tiering applied? Explain why or why not. There is not tiering applied because this administrative regulation applies to all insurers authorized to write health insurance and all employer-organized associations that self-insure in the state of Kentucky.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

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(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department as the implementer.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 304.2-110(1), 304.17A-330

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation. There is no fiscal impact known to be associated with this administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No revenue is expected to be generated.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No revenue is expected to be generated.

(c) How much will it cost to administer this program for the first year? No cost is expected.

(d) How much will it cost to administer this program for subsequent years? No cost is expected.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(4) Revenues (+/-): Neutral

(5) Expenditures (+/-): Neutral

(6) Other Explanation: