

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 806 KAR 9:380
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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the procedures for an entity to apply to the Department to act as a self-service storage space insurance producer and requires the commissioner to prescribe an application form for a business entity seeking to act as a self-service storage facility.

(b) The necessity of this administrative regulation: The regulation is necessary to establish the licensure requirements and reporting procedures for a self-service storage space insurance producer, as well as explaining said producer's responsibilities.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 304.2-110 authorizes the commissioner to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. KRS 304.9-496 authorizes the commissioner to issue an agent's license with the limited line of authority for self-service storage space insurance producer and requires the commissioner to promulgate administrative regulations to establish the requirements.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: By setting forth the licensure requirements and responsibility of requirements for self-service storage space producers.

(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: This is a new administrative regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new administrative regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: there are currently 191 self-service storage space producers.

(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: Those who wish to be licensed as a self-service storage insurance producer will have to file the appropriate application with the Department.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities:

1. Resident individual license, forty (40) dollars and an additional forty (40) dollars for each line of authority;

2. Nonresident individual license, fifty (50) dollars and an additional fifty (50) dollars for each line of authority;

3. Resident business entity license, \$100 and an additional \$100 for each line of authority; and

4. Nonresident business entity license, \$120 and an additional \$120 for each line of authority.

(c) As a result of compliance, what benefits will accrue to the entities: Entities will be properly licensed under the insurance code.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation: This does not associate a cost on the department to implement this administrative regulation's provisions.

(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: An increase of fees will not be necessary because additional personnel is likely unnecessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not directly establish any new fees.

(9) TIERING: Is tiering applied? Explain why or why not. Tiering is not applied because this regulation applies equally to all self-service storage licensees.

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 Kentucky Department of Insurance will be impacted as the implementer of the regulation.
- (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, 304.9-496
- (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.
 - (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? This administrative regulation may generate revenue should any new licensees apply to the Department, but this is expected to be very minimal.
 - (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? The revenue generated by this administrative regulation is expected to be minimal.
 - (c) How much will it cost to administer this program for the first year? This administrative regulation will not have a cost to implement in the first year.
 - (d) How much will it cost to administer this program for subsequent years? This administrative regulation will not have a cost to administer subsequent years.

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

Revenues (+/-): Neutral

Expenditures (+/-): Neutral

Other Explanation: As the amendments to this administrative regulation clarify an existing process, this administrative regulation will not have a fiscal impact on the Department of Insurance.