

**Department of Legislative Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 857 (Delegate Krsviak)  
Economic Matters

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**Insurance Fraud Prevention Fee - Exemptions - Fraternal Benefit Societies**

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This bill exempts fraternal benefit societies that collected less than \$75,000 in premiums in the preceding calendar year from the insurance fraud prevention fees collected by the Maryland Insurance Administration (MIA). Currently, each society pays a \$1,000 annual fee.

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**Fiscal Summary**

**State Effect:** Special fund revenues would decrease \$11,000 annually. Expenditures would not be affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Fiscal Analysis**

**Background:** Chapter 649 of 1997 specifies that fraternal benefit societies must pay the \$1,000 annual fraud prevention fee.

**State Revenues:** Currently, 34 fraternal benefit societies pay a total of \$34,000 in fraud prevention fees per year. Fraud prevention fees are paid into the Insurance Fraud Division Fund for the sole purpose of funding the activities of the Insurance Fraud Division of the MIA. During calendar 1996, 11 fraternal benefit societies collected less than \$75,000 in premiums. Therefore, it is estimated that the bill would result in the loss of \$11,000 in special fund revenue annually.

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**Information Source(s):** Maryland Insurance Administration, Department of Legislative

Services

**Fiscal Note History:**

First Reader - February 19, 1998

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Revised - House Third Reader - March 28, 1998

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