

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 6, 2005

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB526 by Berman (Relating to limits placed on coverage amounts of certain group life insurance policies or certificates.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would repeal sections of the Insurance Code relating to the limits placed on coverage amounts of certain group life insurance policies or certificates. The Employees Retirement System states that repealing these sections would allow group term insurance policies to be issued in unlimited amounts. The changes made by this law apply only to a group life insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act.

The Texas Department of Insurance anticipates any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds majority vote in each house, the bill would take effect September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 454 Department of Insurance

LBB Staff: JOB, SR, JRO, MW, NV