

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 18, 2005

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

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

IN RE: HB1219 by Talton (Relating to settlement of certain claims under an auto insurance policy.),
As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to settlement of certain claims under an auto insurance policy. TDI would become responsible for evaluating certain automobile damages and repairs and for determining "actual damages" to third-party claimants sustaining damages due to insurers' violation of proposed Art. 5.07-2. This bill creates a new type of complaint that would require special handling, including a review by a qualified automobile damage inspector who has specific expertise. The Department of Insurance anticipates any additional workload/costs associated with the implementation of this bill can be handled with existing resources.

Section 1 of this Act takes effect September 1, 2005. This bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds 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: 454 Department of Insurance

LBB Staff: JOB, JRO, NV