

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 22, 2005

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

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

IN RE: HB1353 by Cook, Robby (relating to creation and operation of a guaranty fund for certain groups certified to self insure for workers' compensation insurance coverage and to service companies that administer the guaranty fund.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 407A of the Labor Code by adding new Subchapter J. The bill would create the Texas Self-Insurance Group Guaranty Fund as a non-profit association that provides for the payment of workers' compensation benefits through a guaranty fund for injured employees covered by a group that has been declared insolvent. The bill would establish a board of directors to create and maintain the Texas Self-Insurance Group Guaranty Fund. The bill would require the Commissioner of the Texas Department of Insurance (TDI) to designate one member to the board and appoint the initial three members representing self-insured groups. The bill would require the Public Counsel of the Office of Public Insurance Counsel (OPIC) to be a member of the board.

It is assumed the Texas Self-Insurance Group Guaranty Fund, like other existing guaranty funds, would be held by the non-profit entity outside the State Treasury.

Based on the analysis of TDI and OPIC, it is assumed any duties and responsibilities associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect on September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 359 Office of Public Insurance Counsel, 453 Workers' Compensation Commission, 454 Department of Insurance

LBB Staff: JOB, JRO, MW, TG