

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 20, 2005**

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

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

**IN RE: HB1744** by Seaman (Relating to the operation of the Fair Access to Insurance Requirements (FAIR) Plan Association.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Insurance Code relating to the operation of the Fair Access to Insurance Requirements (FAIR) Plan Association. The bill would make various changes relating to the operation of the association. It would prohibit the Texas Windstorm Insurance Association from participation in the Fair Plan Association, and it would establish the measure or share of participation in the Fair Plan Association in terms of an insurer's assessments, rather than writings, expenses, and losses. The bill would allow participating insurers to carry paid assessments and associated premium surcharges as admitted assets for all purposes. In the event of dissolution of the association, the bill would require that all of the association's assets be deposited to the General Revenue Fund 0001. Based on the analysis of the Department of Insurance, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing 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 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:** 304 Comptroller of Public Accounts, 454 Department of Insurance

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