

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 8, 2009

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

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

IN RE: HB1157 by Walle (Relating to prohibiting the use of credit scoring in certain lines of personal insurance.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to prohibit the use of credit scoring when determining rates for certain lines of personal insurance. The bill only applies to personal insurance policies that are new or renewed on or after January 1, 2010, an application that is submitted on or after January 1, 2010, or a policy that is subject to renewal or denial on or after January 1, 2010.

Based on the analysis of the Texas Department of Insurance (TDI), implementing the requirements of this bill would require TDI to review administrative rules to ensure compliance with statute and would result in an initial increase in rate filings. It is assumed that costs associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, KJG, MW, CH