

**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: HB1369** by Rodriguez (Relating to unfair claim settlement practices by an insurer that issues a preferred provider benefit plan.), **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 unfair claim settlement practices by an insurer that issues a preferred provider benefit plan.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$28,900 in the General Revenue Dedicated Account Fund 36 in fiscal year 2010 because the bill would result in filings of amendments to reflect this change of law by insurers. Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all general revenue would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year. It is also assumed that any costs realized by TDI from implementing the provisions of the bill could be absorbed within existing resources.

This change to the Insurance Code only applies to preferred provider benefit plans delivered, issued for delivery or renewed on or after the effective date of the bill. The bill takes effect immediately if it receives a vote of two-thirds by all members elected to each house. If the bill does not receive that vote, then the bill takes effect on September 1, 2009.

**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