

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

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

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

IN RE: HB4342 by Smithee (Relating to required use by insurers of certain standard insurance policy forms for residential property insurance.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require certain insurers to use standard promulgated residential property forms, without endorsements or exclusions. The bill would allow insurers to also use alternative policy forms approved by the Texas Department of Insurance (TDI) or standard insurance policy forms adopted by TDI.

Based on analysis provided by the TDI, it is anticipated that the bill would result in an increase in the number of residential property rates that TDI reviews. The agency indicates that there would be some cost to implementing the provisions of the bill, but these costs are expected to be absorbed within the agency's existing budget.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, KJG, CH