

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 8, 2009

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

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

IN RE: SB972 by Averitt (Relating to small and large employer health group cooperatives.),
Committee Report 2nd House, As Amended

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to define eligible single employee business as it relates to small and large employer health group cooperatives and to add regulations to the health group cooperatives' rating practices. The bill requires the Texas Department of Insurance (TDI) to create processes, rules, and regulations for the health group cooperatives' rating practices and to adopt rules governing the eligibility of single employee businesses in participating in these cooperatives. The bill would only apply to an insurance policy issued for delivery or renewed on or after the effective date of the bill, September 1, 2009.

Based on information provided by TDI, any additional costs associated with implementing the provisions of this bill could be absorbed within existing agency resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, CH, KJG, MW