

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 23, 2009

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

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

**IN RE: SB1001** by Deuell (Relating to the continuation and operation of the office of public insurance counsel.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1001, As Passed 2nd House: a negative impact of (\$154,948) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$78,724)
2011	(\$76,224)
2012	(\$76,224)
2013	(\$76,224)
2014	(\$76,224)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$78,724)	1.0
2011	(\$76,224)	1.0
2012	(\$76,224)	1.0
2013	(\$76,224)	1.0
2014	(\$76,224)	1.0

Fiscal Analysis

The bill would amend the Insurance Code to continue the Office of Public Insurance Counsel (OPIC) to 2021. The bill would authorize OPIC to accept complaints from small employers, eligible employees, or their dependents concerning a premium increase of more than 20 percent and authorizes OPIC to refer any complaints deemed appropriate by the agency to the Texas Department of Insurance (TDI). The bill would require OPIC to submit to the legislature a biennial report containing recommendations for legislation to benefit and protect consumers as a class in insurance matters.

The bill would take effect September 1, 2009.

## Methodology

Based on information provided by OPIC and the Sunset Advisory Commission, implementation of the bill would require the agency to hire an additional actuary to review the new complaints. The 1 additional FTE would cost \$59,286 in salaries and wages with associated benefit costs of \$16,938 in each fiscal year. Additionally, there would be a one-time cost of \$2,500 in fiscal year 2010 for equipment.

## Technology

The bill would have a technology impact of \$2,500 in fiscal year 2010.

## Local Government Impact

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 359 Office of Public Insurance Counsel

**LBB Staff:** JOB, SD, MW, CH, KJG