

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**March 11, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1226** by Smithee (Relating to self-insurance funds established by governmental units.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code, Chapter 2250 to allow governmental units to purchase reinsurance for a risk covered through a self-insurance fund and permit certain legal and regulatory requirements to be satisfied either by coverage provided through a self-insurance fund or by a certificate of coverage demonstrating that coverage is provided through a self-insurance fund.

A sample of agencies including the Teacher Retirement System (TRS), the Texas Department of Insurance (TDI) and the State Office of Risk Management (SORM) did not anticipate a significant fiscal impact to the state and indicate that any costs associated with the bill could be absorbed within each agency's existing resources. The Comptroller of Public Accounts (CPA) indicated that the fiscal impact to the state from the bill could not be estimated.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 323 Teacher Retirement System, 454 Department of Insurance, 479 State Office of Risk Management

**LBB Staff:** UP, KKR, AG, JI, JJO, ER, TP