

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 23, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2671 by Sheets (Relating to security deposit requirements for certain insurance companies.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to security deposit requirements for certain insurance companies. The bill would require insurers to deposit securities as specified if the insurers are required to make a deposit with the Comptroller of Public Accounts for the protection of policyholders of the company prior to engaging in business in another location. The bill would remove the requirement that the company deposit be in the amount of \$50,000. The bill also would remove the restriction on requiring a foreign casualty insurance company to make or maintain the deposit required of a domestic casualty insurance company if a deposit has been made in any other domestic state.

Based on information provided by the Texas Department of Insurance and the Comptroller of Public Accounts, it is assumed that any costs associated with the implementation of this bill could be absorbed within existing staff and resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 304 Comptroller of Public Accounts

LBB Staff: UP, AG, MW, ER, RB, LXH