

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 1, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2786** by Smithee (Relating to own risk and solvency assessment by insurers and insurance groups; providing a penalty.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to own risk and solvency assessments by insurers and insurance groups. The bill would require domestic insurers to maintain a risk management framework and to conduct an annual confidential internal own risk and solvency assessment. The bill would further require that the insurer submit a summary of the assessment at the request of the commissioner of insurance.

Based on information provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing 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, ER, RB