

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 15, 2013

TO: Honorable René Oliveira, Chair, House Committee on Business & Industry

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3310 by Walle (Relating to requirements for employers who do not obtain workers' compensation insurance coverage under the Texas Workers' Compensation Act.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Labor Code relating to requirements for employers who do not obtain workers' compensation insurance coverage under the Texas Workers' Compensation Act. The bill would require an employer who does not obtain workers' compensation insurance coverage for their employees to obtain life insurance coverage for each employee with a death benefit of no less than \$200,000. The bill would prohibit an employer from being assigned as the beneficiary of any such policy. The bill would preserve the right of a beneficiary or other person to bring a civil action against the employer even if the beneficiary or other person accepts a death benefit payment from a life insurance policy.

Based on information provided by the Texas Department of Insurance, it is assumed that any costs associated with implementing the provisions of this bill would be absorbed within existing staff and resources.

Based on information provided by the State Office of Risk Management, the bill would have no fiscal impact to the agency.

Local Government Impact

The Texas Association of Counties reported that counties are currently required by state law to have workers' compensation coverage, although they have the option of providing the coverage through self-insurance, workers' comp insurance or via an interlocal agreement with another political subdivision per Section 504.011, Labor Code. The bill would not have a significant fiscal impact on units of local government.

Source Agencies: 454 Department of Insurance, 479 State Office of Risk Management

LBB Staff: UP, RB, ER, KKR