

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 15, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3373 by Bonnen, Greg (Relating to the payment of insured losses of the Texas Windstorm Insurance Association and funding of the catastrophe reserve trust fund.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Insurance Code relating to the payment of insured losses of the Texas Windstorm Insurance Association (TWIA) and funding of the catastrophe reserve trust fund. The bill would require TWIA to make payments each year to the catastrophe reserve trust fund in amounts not less than \$200 million. The bill would also stipulate that the amounts in the catastrophe reserve trust fund could only be used to pay for insured losses incurred on or after the earlier of the effective date of the bill or June 1, 2013.

Based on information provided by the Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources. In addition, this analysis does not consider fiscal impacts to TWIA and the catastrophe reserve trust fund since those entities are located outside the Treasury.

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, LXH, RB