

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 1, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB697 by Carona (Relating to the qualifications of certain nonresident individuals to hold a surplus lines agent license.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to the qualifications of certain nonresident individuals to hold a surplus lines agent license. The bill would exempt an individual from being required to obtain a general property and casualty agent license to hold a surplus lines agent license if the home state of each insured is Texas, if they are not a resident of this state, if they are licensed as a surplus lines agent in their state of residence, if their state of residence does not require a license, or if the individual has a professional relationship with a licensed individual who conducts each transaction and those transactions comply with the laws of the state in which they occur. The bill would take effect on January 1, 2014.

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

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

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