

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: SB841 by Hancock (Relating to certain authorized investments under the Insurance Code.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to certain authorized investments. The bill would allow an insurer with assets of more than \$10 billion to invest in real property. The bill would also allow an insurer to make investments in foreign countries with funds in excess of minimum capital and surplus if the investments are similar to those authorized in the United States or Canada and meet certain financial limitations.

The bill would increase the number of new investments the Texas Department of Insurance (TDI) reviews to determine whether the insurer's financial solvency is impacted by the new investments. Based on information provided by TDI, 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

LBB Staff: UP, AG, RB, ER