

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 18, 2013

TO: Honorable John Carona, Chair, Senate Committee On Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB841 by Hancock (Relating to certain authorized investments under the Insurance Code.), **As Introduced**

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 \$500 million to invest in real property, even if the property is subject to an existing mortgage. The bill would also allow an insurer to make investments in foreign countries if the investments are substantially the same type as an investment authorized within 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, RB, ER