

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 27, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1702 by Taylor (Relating to residential property insured by the Texas Windstorm Insurance Association.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to residential property insured by the Texas Windstorm Insurance Association. The bill would allow new residential structures to obtain or continue coverage through the association provided that the structure had been insured by an insurer in the private market and no construction, alteration, remodeling, enlargement, or repair of or addition to the structure occurred after cancellation or nonrenewal of the coverage and before submission of an application for coverage through the association. The bill would also provide for an annual premium surcharge for a noncompliant residential structure.

Based on information provided by the Texas Department of Insurance, 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, LXH