

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 20, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1171 by Estes (Relating to the suspension and reactivation of the operation of the Texas Health Reinsurance System.), **As Introduced**

No significant fiscal implication to the State is anticipated.

This bill would amend the Insurance Code relating to the suspension and reactivation of the operation of the Texas Health Reinsurance System (THRS). The bill requires the Commissioner of Insurance to hold a hearing to suspend or reactivate THRS, which is a nonprofit entity that provides reinsurance to health insurers of small employer health benefit plans. In addition, the bill requires the THRS board of directors to submit to the Commissioner of Insurance a plan of suspension for the operation of THRS no later than 90 days after the effective date of the bill. Under the provisions of the bill, transactions necessary to suspend the system are subject to audit by the State Auditor's Office (SAO). The bill requires the SAO to report the cost of the final audit to the Comptroller of Public Accounts (CPA) and requires the THRS board of directors to remit that amount to the CPA for deposit to the General Revenue Fund.

Based on information provided by the Texas Department of Insurance and SAO, this analysis assumes the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. Based on information provided by the CPA, the amount and timing of the remittance is unknown; therefore, the fiscal impact cannot be determined, but would likely not be significant.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 308 State Auditor's Office, 454 Department of Insurance

LBB Staff: UP, CL, EH, CP