

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 12, 2019**

**TO:** Honorable Eddie Lucio III, Chair, House Committee on Insurance

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB3334** by Paul (relating to satisfaction of continuing education requirements for certain insurance adjusters.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3334, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain from Insurance Maint Tax Fees 8042</b>	<b>Probable (Cost) from Insurance Maint Tax Fees 8042</b>	<b>Change in Number of State Employees from FY 2017</b>
2020	\$126,201	(\$126,201)	2.0
2021	\$123,201	(\$123,201)	2.0
2022	\$123,201	(\$123,201)	2.0
2023	\$123,201	(\$123,201)	2.0
2024	\$123,201	(\$123,201)	2.0

**Fiscal Analysis**

The bill would amend the Insurance Code relating to satisfaction of continuing education requirements for certain insurance adjusters. The bill would require the Texas Department of

Insurance (TDI) to accept a claims certification as satisfaction of any continuing education (CE) requirements for an adjuster. The bill allows TDI to access an association's electronic portal to review adjuster's transcripts showing the completion of a certification program.

The bill applies only to CE requirements for an adjuster's license period beginning on or after January 1, 2020. The bill would take effect on September 1, 2019.

### **Methodology**

Based on information provided by TDI, the agency anticipates approximately 25,000 adjusters would pursue alternative continuing education under the provisions of the bill. It is estimated that implementing the provisions of the bill would result in the need for 2.0 additional Full-Time-Equivalent (FTE) positions assuming each FTE could review 12,500 renewals each year. The FTEs would be required to electronically review and audit the CE courses and update the adjuster's course history.

The agency estimates that the 2.0 FTEs would require recurring costs to General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees of \$90,048 in salaries, \$1,350 in payroll contribution costs, and \$30,103 in related support and benefit costs each fiscal year. Additional program costs include a one-time cost of \$3,000 for computers and related equipment, and recurring costs of \$1,200 for consumable supplies and \$500 for other related operating expenses.

Due to the self-leveling nature of the TDI operating fund, this analysis assumes that TDI would adjust the assessment of the maintenance tax to account for any additional costs resulting from the implementation of the bill.

### **Technology**

TDI estimates a one-time technology cost of \$3,000 in fiscal year 2020 related to the purchase of computers and related equipment for the new FTEs required to implement the provisions of the bill.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** WP, CMa, SGr, CP