

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 8, 2023

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1588 by Oliverson (Relating to funding of excess losses and operating expenses of the Texas Windstorm Insurance Association; authorizing an assessment; authorizing a surcharge.), **As Engrossed**

The fiscal implications of the bill cannot be determined because the timing and amounts of any excess losses and infrastructure grants are unknown.

The bill would amend the Insurance Code relating to the payment of excess losses of the Texas Windstorm Insurance Association (TWIA). The bill would take effect September 1, 2023.

Based on the analysis of the Trusteed Programs within the Office of the Governor and the Department of Insurance, any duties and responsibilities associated with implementing the provisions of the bill could be accomplished by the agencies utilizing existing resources.

The bill would modify the manner in which excess losses of TWIA are paid. Under current law, excess losses are paid for by the issuance of public securities and by member assessments. The bill would require that excess losses be paid by member assessments not to exceed \$1 billion per catastrophe year. According to the Comptroller of Public Accounts, fiscal impact on the state cannot be estimated as the timing and amounts of any excess losses and infrastructure grants are unknown.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 454 Department of Insurance

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