

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

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 5, 2023**

**TO:** Honorable Tom Oliverson, Chair, House Committee on Insurance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4498** by Cook (relating to the transfer and statutory novation of insurance policies from a transferring insurer to an assuming insurer through an insurance business transfer plan; authorizing fees.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined because the cost of filing reviews and the number of potential filing reviews required in accordance with the bill cannot be estimated.

The bill would amend the Insurance Code to allow the transfer of policies from a transferring insurer to an assuming insurer without the affirmative consent of policyholders or re-insureds.

Based on the analysis of the Office of Court Administration, Teacher Retirement System of Texas, Employees Retirement System, Texas A&M University System Administrative, and the University of Texas System Administration, any duties and responsibilities associated with implementing the provisions of the bill could be accomplished by the agencies utilizing existing resources.

According to the Department of Insurance, the agency cannot determine the cost to implement the bill's provisions because the Insurance Business Transfer Plan (IBT) evaluation is a complex process, and vendor costs vary significantly per IBT evaluation. Additionally, the Comptroller of Public Accounts (CPA) cannot determine the amount or timing of IBT evaluations and, therefore, cannot estimate revenue impacts as the number of IBT filings is unknown.

According to the CPA, the bill does not denote the specific deposit location for the authorized fee. This analysis assumes all funds would be deposited in General Revenue.

**Local Government Impact**

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

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

**LBB Staff:** JMc, GDZ, LBI, CMA