

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 18, 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 policies from a transferring insurer to an assuming insurer by way of an insurance business transfer.), **As Introduced**

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, future workload resulting from IBT evaluations cannot be estimated as the number of IBT filings is unknown.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 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

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