

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 1, 2025

TO: Honorable Jay Dean, Chair, House Committee on Insurance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3320** by Oliverson (Relating to a property and casualty self-insurance pool for certain religious institutions; authorizing fees; providing administrative penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3320, As Introduced: an impact of \$0 through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>Dept Ins Operating Acct 36</i>	Probable Revenue Gain/(Loss) from <i>Dept Ins Operating Acct 36</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$272,106)	\$272,106	1.7
2027	(\$272,106)	\$272,106	1.7
2028	(\$158,784)	\$158,784	1.0
2029	(\$158,784)	\$158,784	1.0
2030	(\$158,784)	\$158,784	1.0

Fiscal Analysis

The bill amends the Texas Insurance Code to permit the board of trustees for certain religious institutions to submit an application to the Texas Department of Insurance (TDI) for a certificate of authority to become a self-insurance pool that can issue property and casualty coverage to religious institute members. Boards of Trustees would be able to apply beginning January 1, 2026.

The bill would take effect September 1, 2025.

Methodology

According to the Department of Insurance (TDI), the agency would require additional staffing resources to implement the provisions of the bill based on an estimated 12 entities seeking to establish a risk pool over 4 years. The agency anticipates requiring 1.7 additional full-time-equivalent (FTE) positions in fiscal years 2026 and 2027, and then 1.0 FTE for fiscal years 2028 and beyond. For fiscal year 2026 and 2027, the agency anticipates requiring 1.0 Attorney FTE (\$124,606 each year with \$37,282 in estimated benefits) to develop the rulemaking for establishing the new insurance pools and developing the fee structure, 0.5 Financial Examiner IV FTEs (\$40,412 each year with \$12,091 in estimated benefits) and 0.2 Financial Examiner VII FTEs (\$29,469 each year with \$8,817 in estimated benefits) to address initial licensing and ad hoc tasks as necessary related to the filings of the insurance pools. Beginning in fiscal year 2028, the 1.0 Attorney FTE would be reduced to 0.3 FTEs to provide ongoing support in legal matters concerning insurance pools, reducing their salary and benefits cost to \$48,566. Additionally, this estimate assumes an additional annual cost of \$6,476 for operating expenses.

According to TDI, the bill would have a fiscal impact for the Financial Examinations Office within TDI, however that office is designated as self-directed and semi-independent and is responsible for generating sufficient revenue to cover the cost of its costs of operations. In addition, the office is prohibited from causing the General Revenue Fund to incur any cost and is not subject to the legislative budgeting process. Therefore, these provisions of the bill will have no fiscal impact to the state.

This estimate assumes that appropriations made to implement the provisions of the bill would be from the Texas Department of Insurance Operating Account Fund 36. This account is self-leveling, and any expenditure increases would be reflected in the annual adjustment of the maintenance tax rates for insurance carriers, resulting in overall revenue into the account equaling expenses.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance

LBB Staff: JMc, AAL, GDZ, BFa