REVENUE

MAINTENANCE TAXES & FEES

Texas collects insurance taxes and related fees and assessments to regulate the insurance industry and to decrease insurance claims. Maintenance taxes and fees are estimated to generate $356.0 million in the 2018-19 biennium. Insurance companies pay maintenance taxes based on the total amount of gross premiums received. The Commissioner of Insurance for the Texas Department of Insurance (TDI) sets the maintenance tax rates each year. Funding is self-leveling, collecting only the revenue needed for appropriations and other indirect costs. In addition, TDI is statutorily authorized to collect user fees, such as insurance company filing fees and agent licensing fees.

Maintenance taxes and fees are deposited into GR and then reallocated to General Revenue-Dedicated TDI Operating Fund Account No. 0036 (GR–D Fund 36). The Legislature appropriates funds from maintenance taxes and fees to TDI and other supporting agencies performing insurance-related activities.

SPENDING

Direct appropriations from maintenance tax & fee revenue total $287.8 million. Appropriations include both GR-D Fund 36 and General Revenue-Insurance Companies Maintenance Tax and Insurance Department Fees (GR-Insurance Maintenance Tax).

$198.2 million: Texas Department of Insurance (TDI) regulates the insurance industry and promotes a stable and competitive insurance market.

$49.6 million: Texas A&M Forest Service (TFS) implements a wildfire protection plan and provides group insurance contributions for TFS employees.

$17.6 million: Office of Injured Employee Counsel (OIEC) advocates on behalf of injured workers.

$12.0 million: Department of State Health Services (DSHS) provides immunization services and implements regulatory programs for environmental health.

$6.8 million: Office of the Attorney General (OAG) provides insurance-related legal services.

$2.1 million: Texas Facilities Commission (TFC) pays for TDI utilities.

$1.5 million: Texas Department of Transportation (TxDOT) conducts ongoing maintenance of the Crash Records Information System.

$108.2 million: Texas Water Development Board (TWDB) and Comptroller of Public Accounts (CPA) are allocated funds based on statutory requirements from the Texas Insurance Code.

$6.1 million: TWDB

$2.2 million: CPA

$354.0 million: Total revenue from insurance taxes and fees for the 2018-19 biennium.

Notes:
1 Texas Insurance Code § 201.052(a-b)
2 Texas Insurance Code § 251.001
3 Texas Insurance Code § 251.004(b)
4 Texas Insurance Code § 251.014(b)
5 Texas Insurance Code § 201.012(a-6)

OTHER TAXES & ASSESSMENTS

In addition to maintenance tax and fees, insurance companies also pay premium taxes and assessments for the Office of Public Insurance Counsel (OPIC). Insurance companies pay premium taxes based on the total amount of gross premiums received. Each line of insurance has an annual tax rate. Premium taxes are deposited into the General Revenue Fund (GR). One-fourth of certain premium tax proceeds are deposited to the credit of the Foundation School Fund and all other proceeds are available for general appropriation purposes. Estimated premium tax collections in the 2018-19 biennium are $4,997.6 million.

OPIC is funded by an annual assessment of 5.7 cents for each policy an insurer has in force at the end of the year. Assessments are estimated to be $5.0 million in 2018-19. OPIC is directly appropriated $17 million of the assessment and the remainder is deposited to GR.