

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

SB 273 – HB 381

January 12, 2010

SUMMARY OF AMENDMENT (008105): Deletes all language following the enacting clause. Requires all testimony, documents, and other information obtained by the Commissioner of Commerce and Insurance during an investigation of an insurance producer be kept confidential and privileged. Authorizes the producer under investigation, or producer's counsel, to obtain copy of any notice or other information provided to the Commissioner for investigation purposes. Grants the Commissioner inquisitorial and subpoena powers. Requires the Commissioner to provide the producer a copy of any complaint within 15 days of issuance and notice of all charges brought against them should the department initiate an investigation. Grants the producer petition rights for the Chancery Court of Davidson County prior to the start of a contested case hearing. Requires all investigations to be completed within two years. Prohibits renewal of cancelled license to insurance producers under investigation.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

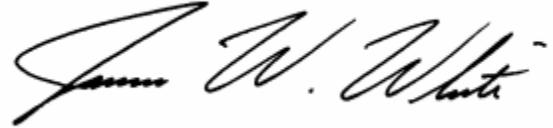
Increase State Expenditures – Not Significant

Assumptions applied to amendment:

- Requiring all documents to be kept confidential and privileged will have no fiscal impact on the state.
- Providing copies to the insurance producer will increase state expenditures in an amount determined to be not significant.
- According to the Department, the Commissioner currently uses discretion in determining which complaints to investigate. This bill will codify the current process.
- There are four investigators in the Department's Insurance and Special Investigations section who are responsible for investigation of complaints against insurance producers. These investigations are completed within an average of nine to twelve months.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

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