

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2349 - SB 2205

March 16, 2009

SUMMARY OF BILL: Prohibits any current or former member of the General Assembly, or such member's dependents, from retaining health insurance benefits if that member is convicted in any court of this state, or in any federal court, of a felony arising out of that person's official capacity, constitutional malfeasance in office, effective November 2, 2010.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – If one current or former member of the General Assembly is convicted of a felony during FY09-10, and this individual is of average age, with an average life expectancy, total state expenditures could decrease by an amount estimated to exceed \$880,000 over the individual's remaining life (an average of \$35,400 per year for 25 years).

Assumptions:

- Should a conviction be overturned and such member is acquitted or full pardon is granted, all rights, privileges, and benefits would be restored. Member elects family health insurance coverage.
- The average age of current and former members of the General Assembly eligible for health insurance benefits is estimated to be 55 years old. Estimated life expectancy of current and former members of the General Assembly is 80 years (25 years of coverage).
- Current monthly state contribution for the state insurance plan for family health insurance coverage for calendar year 2009 is \$1,267.40 per month (\$15,208.80 per year). Current contribution for single health insurance coverage for calendar year 2009 is \$507.64 per month (\$6,091.68 per year).
- Six percent (6.0%) annual growth of health insurance premiums.
- The future expense of insurance premiums paid by the state over a 25 year period, assuming six percent annual growth of premiums is estimated to be \$884,488.79.

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, reading "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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