

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2596 – HB 3112

March 27, 2012

SUMMARY OF AMENDMENT (015488): Defines “exempt commercial risk policyholder” and “risk manager” relative to insurance rates and rating organizations. Directs that commercial risk policies issued to an exempt commercial risk policyholder by an insurer of commercial risk insurance are exempt from the rate filing requirements in Tenn. Code Ann. § 56-5-306. Directs that an insurer of commercial risk insurance is subject to statutory penalties if the insurer fails to comply with statutory requirements relative to a commercial risk insurance policy issued to a commercial policy holder and the policyholder has not filed the required certification. Requires the certification form to be maintained as confidential. Requires specified disclaimer language in any application or policy issued to an exempt commercial risk policyholder.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- According to TDCI, any reduction in filings by commercial property and casualty insurers as a result of exemptions will be minimal.
- Therefore, the impact to state government is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/sbh