

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1247 - SB 1350

March 14, 2013

SUMMARY OF BILL: Reduces, from 30 days to 10 days, the time period in which all commercial lines insurance issuers are required, upon receiving a written request from an insured party, to furnish a copy of such insured's loss run history. Increases, from 3 to 5 years, the period of time in which such loss run history must cover. If the loss run history of an insured is less than five years, the insurer must provide a complete loss run history. Requires the Commissioner of Commerce and Insurance to assess a penalty of \$250 against an insurer for not providing the loss run history in the provisions, as stated; provided, each day of continued violation shall constitute a separate violation. Prior to assessing the penalty, the Commissioner is required to provide written notice to the insurer involved, stating specifically the nature of the alleged violation and set a time and place to hold a hearing on the matter. The burden of proof shall lie on the Commissioner to show a violation has occurred, by a preponderance of the evidence. After the hearing, or upon failure of the insurer to appear at such hearing, the Commissioner shall enter an appropriate order assessing the applicable penalty.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Commerce and Insurance, it can conduct case hearings to enforce the civil penalties, as laid out by this bill, within existing resources.
- Any civil penalties enforced will be minimal and will not result in a significant increase in revenue.

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

/jdb

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