

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 880 - HB 1005

February 21, 2013

SUMMARY OF BILL: Authorizes, instead of requires, a homeowner property insurer to make available insurance for sinkhole losses on any dwelling, and the personal property located therein. Authorizes any insurer to require an inspection of a property prior to offering sinkhole loss coverage. Requires any insurer who offers sinkhole loss coverage to appropriately file with the Department of Commerce and Insurance. Creates various provisions governing the sinkhole loss damage for which an insurer is liable.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This bill will likely reduce the amount of insurance claims accepted by those insurers providing coverage for sinkhole losses; however, this will affect a transaction between private entities and will result in no significant fiscal impact to state or local government.
- According to the Department of Commerce and Insurance, it anticipates an increase in the number of consumer complaints and inquiries. The Department will also need to ensure that the coverage offered by insurers conform to the provisions of this bill, but any such increase in complaints, inquiries, and enforcement duties can be handled within the Department's existing resources.

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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