

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 171 – HB 558

March 23, 2015

SUMMARY OF ORIGINAL BILL: Prohibits an insurance company from charging a premium for any construction services provider exempt from workers' compensation and any person who is otherwise an independent contractor. Requires additional defense costs and loss adjustment costs be reported to the Commissioner of the Department of Commerce and Insurance as supplementary rate and loss cost information.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004206): Removes language requiring a premium not being charged by an insurance company for any construction services provider exempt pursuant to this section and listed on the registry.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Based on all information provided by the Department of Commerce and Insurance (DCI) and the Division of Worker's Compensation (DWC), the fiscal impact of this amended bill for state and local government is estimated to be not significant.
- Any change in gross premiums tax revenue is considered not significant.
- Any increase in state expenditures for DCI to collect additional information will not cause any significant operational impact.
- Any other impact as a result of this bill will be borne by private parties and private employers.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

SB 171 - HB 558

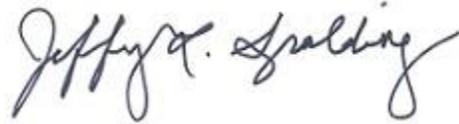
Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The DWC reports the bill may cause an unquantifiable increase in worker's compensation insurance premiums paid by certain businesses to other private insurers.
- The business revenue of private insurers is expected to increase as other businesses pay additional expense for increased workers' compensation premiums. Any net impact to commerce is considered not significant.

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

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