

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 171 – HB 558

March 22, 2015

SUMMARY OF 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.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- 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 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:

NOT SIGNIFICANT

Assumptions:

- 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.

A handwritten signature in black ink, appearing to read "Jeffrey L. Spalding". The signature is written in a cursive style with a large initial "J".

Jeffrey L. Spalding, Executive Director

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