

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 673 - SB 1174

March 7, 2019

SUMMARY OF ORIGINAL BILL: Requires any rules promulgated by the Commissioner of the Department of Commerce and Insurance (DCI), regarding the implementation of supervision over the *Insurers Rehabilitation and Liquidation Act*, be in accordance with the *Uniform Administrative Procedures Act*.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004721): Deletes all language after the enacting clause. Establishes a process for Federal Home Loan Bank (FHLB) charters with a claim on a member insurer who is subject to a delinquency proceeding. Establishes that a FHLB charter is neither stayed nor prohibited from exercising its rights regarding collateral pledged to it by an insurer; if rights to such collateral are exercised, the FHLB charter is obligated to repurchase any outstanding stock that exceeds the amount of bank stock the member insurer is required to hold. Requires a FHLB charter to establish a timeline within 10 days after a receiver's appointment to govern the release of certain collateral, redemption or repurchase of stock, and payment of fees owed to the charter on behalf of the member insurer.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The proposed legislation will impact private parties and will have no significant impact on state or local government.

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IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The proposed legislation is not estimated to have a significant impact to commerce or jobs in Tennessee.

CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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