

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 942 - HB 1044

March 22, 2019

**SUMMARY OF ORIGINAL BILL:** Requires any convenience fee promulgated by the Commissioner of the Department of Commerce and Insurance (DCI) to cover the cost of issuing or renewing licenses, registration, and permits 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 (006279):** Deletes all language after the enacting clause. Authorizes a pool of member employers qualifying as self-insurers to use case characteristics, claim experience, health status, or duration of coverage since issue, in determining the initial or adjusted premium rates for such employers.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 56-7-2203(5), case characteristics are demographic or objective characteristics of a small employer considered in the determination of premium rates by a small employer carrier, but do not include claim experience, health status, or duration of coverage since issue.
- Pursuant to Tenn. Code Ann. § 56-7-2207(6), small employer carriers may not adjust rates due to claim experience, health status, or duration of coverage since issue, for an individual small employer. Any adjustment due to such factors must be applied uniformly to the rate charged for all participants of the small employer.

**SB 942 - HB 1044**

- The proposed legislation would authorize member employers pooling their liabilities for self-insurance to use case characteristics, claim experience, health status, or duration of coverage since issue, to determine their initial or adjusted premium rates.

**IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The proposed legislation authorizes member employers pooling their liabilities for self-insurance to use case characteristics, claim experience, health status, or duration of coverage since issue to determine their initial or adjusted premium rates.
- Authorizing self-insured employer pools to determine premium rates with the aforementioned aspects of the member employers is not estimated to have a significant impact to existing rates.

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

/agr