

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 468 - HB 550

February 21, 2019

SUMMARY OF BILL: Requires commercial general liability and property insurance policies to include a provision for an actuarially justified reduction of the rate and premium cost, not to exceed five percent, for qualified sober living homes.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation states a qualified sober living home must be described in Tenn. Code Ann. § 6-54-145(a)(2)(B)(i) or (ii); this definition does not include a home or facility licensed or funded by the Department of Mental Health and Substance Abuse Services (DMHSAS).
- The proposed legislation authorizes the Commissioner of the Department of Commerce and Insurance (DCI), in collaboration with DMHSAS, to promulgate rules to effectuate the rate and premium reductions.
- Any promulgation of rules required to adopt the proposed regulation can be administered by DCI and DMHSAS within existing resources.
- The proposed legislation will impact private parties and will have no significant impact on state or local government.

IMPACT TO COMMERCE:

Other Commerce Impact – Unknown decreases in premium revenue and potential decreases in claims expense to general liability and property insurance businesses. Any impact on jobs in Tennessee is estimated to be not significant.

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Assumption:

- Passage of this legislation will result in decreases in premium revenue to commercial general liability and property insurers, and potential decreases in claims expense as the result of sober living by the insured; the extent of each cannot be determined. Any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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