

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1744 - HB 1859**

February 18, 2020

**SUMMARY OF BILL:** Establishes that rebuttable presumptions created when an insured party has accepted terms of an insurance contract apply in all actions against insurance agents, producers, brokers, administrators, insurance companies, and employees of insurance companies.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 56-7-135(a), when a party to an insurance contract signs a document stating the type, amount, or terms and conditions of the insurance coverage, a rebuttable presumption stating that the insured has read and understands the contents of the document is created.
- Pursuant to Tenn. Code Ann. § 56-7-135(b), payment of a premium for an insurance contract also creates a rebuttable presumption that the insured party has accepted the coverage provided in the contract.
- The proposed legislation establishes that the rebuttable presumptions created in § 56-7-135(a) and (b) will apply in all actions, including actions against insurance agents, producers, companies, and employees of insurance companies.
- The proposed legislation is in regards to actions against private insurers and will have no significant fiscal impact to state or local government.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- Establishing that rebuttable presumptions created by an insured party's acceptance of terms of an insurance contract apply in actions against insurers will not have a significant impact to jobs or commerce 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

/agr