

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 373 - HB 467

February 11, 2017

SUMMARY OF BILL: Requires any insured that has paid the premium for full replacement contents coverage for losses incurred due to catastrophic wildfires be paid the full amount of the coverage purchased without requiring the insured to purchase replacement items prior to being compensated.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Based on information provided by the Department of Commerce and Insurance, this bill will not result in any significant impact on the regulatory duties of the Department.
- It is estimated that there will be no significant increase in premium tax revenue as a result of this bill, as it will impact the timing of the claim payment made from an insurer to an insured and not the amount of claim paid.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Insurance companies in this state may be required to make adjustments to current policies covering wildfires; however, this requirement will be limited to each specific policy entered into by an insured.
- This bill is estimated to have no significant fiscal impact on insurance companies in this state, as it will likely impact the timing of the claim payment made from an insurer to an insured and not the amount of claim paid.

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CERTIFICATION:

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

Handwritten signature of Krista M. Lee in black ink.

Krista M. Lee, Executive Director

/jdb