



March 4, 2021

SUMMARY OF ORIGINAL BILL: Authorizes certain counties to self-insure their risk of loss in lieu of obtaining bonds or insurance.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004276): Deletes and replaces language of the original bill to specify the authorizing resolution adopted by the applicable county must be adopted by a two-thirds majority vote of the governing body.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed language applies only to counties which self-insure their liability. Such counties are: Blount, Davidson, Greene, Hamilton, Knox, Putnam, Rutherford, Shelby, Sullivan, Sumner, Warren, and Williamson.
- Pursuant to Tenn. Code Ann. § 8-19-101, counties are required to either obtain surety bonds or insurance coverage to cover the risk of loss which could be realized from any wrongful acts performed by officials or employees.
- The proposed language would authorize such counties to self-insure their risk of loss rather than obtaining bonds or insurance; however, if such counties did opt to self-insure such risk, it would have to be done under the same terms as those required for bond or insurance coverage.
- Due to the fact that such coverage would have to be maintained under the same terms as that which is currently required by law, any fiscal impact to local government for self-insuring such risk is considered not significant.

CERTIFICATION:

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



Bojan Savic, Interim Executive Director

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