

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 504 - HB 1134

March 12, 2021

SUMMARY OF BILL: Increases, from \$15,000 to \$25,000, the minimum amount of insurance coverage that is required for a split-limit motor vehicle insurance policy to qualify as proof of financial security for property damage in any one accident.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumption:

- Requiring \$10,000 more as the minimum amount of split-limit motor vehicle insurance coverage to qualify as proof of financial security for property damage in any one accident will not significantly impact state or local government revenue or expenditures.

IMPACT TO COMMERCE:

Other Fiscal Impact – Due to multiple unknown factors, the extent and timing of increase in business revenue or business expenditures cannot be determined.

Assumptions:

- Businesses which sell split-limit motor vehicle insurance coverage will see an increase in their revenue under this legislation.
- In the event that claims are filed for such policies, those businesses would see an increase in their expenditures.
- Due to multiple unknown factors, the precise net impact to these businesses cannot be reasonably determined.
- The provisions of this legislation are not expected to significantly impact jobs in Tennessee.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive style with a large, prominent 'B' and 'S'.

Bojan Savic, Interim Executive Director

/ar