

SENATE BILL 1129
By Harper

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 7
and Title 56, Chapter 8, relative to bad faith and unfair
claim settlement practices.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-105(a), is amended by deleting in the first sentence the language "twenty-five percent (25%) on the liability for" and by substituting instead the language "three times the value of".

SECTION 2. Tennessee Code Annotated, Section 56-7-105(a), is further amended by adding the following language at the end of the subsection:

In any case where a claim for benefits under a policy of insurance is not settled within one hundred twenty (120) days, there shall be a rebuttable presumption that such refusal to pay the loss was not in good faith.

SECTION 3. Tennessee Code Annotated, Section 56-7-105, is amended by redesignating the current subsection (b) as subsection (d) and by adding the following language as new subsections (b) and (c):

(b) The insurance companies of this state, and foreign insurance companies and other persons or corporations doing an insurance or fidelity bonding business in this state shall also be subject to liability, within the limits set forth in subsection (a), for knowingly committing any of the acts contained in § 56-8-104(8).

(c) In any action brought pursuant to this section, the court may allow a prevailing plaintiff a reasonable attorney's fee and include such fee in any judgment that may be rendered in any such action.

SECTION 4. Tennessee Code Annotated, Section 56-8-104(8)(A), is amended by deleting the word "sole" and by deleting the language "and, notwithstanding any other laws of this state, a private right of action shall not be maintained under this subdivision (8)".

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.