

SENATE BILL 1078
By Ketron

AN ACT to amend Tennessee Code Annotated, Title 45
and Title 56, Chapter 3, relative to officers or
directors.

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

SECTION 1. Tennessee Code Annotated, Section 56-3-103, is amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

(b) The provisions of this section shall not bar or limit the ability of a director, officer, or committee member of an insurance company from:

(1) Holding or owning stock or other ownership interest in a company or entity that is:

(A) Publicly traded on a listed stock exchange or on an over-the-counter basis, or

(B) A financial institution regulated by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the Office of Thrift Supervision;

(2) Receiving dividends or other distributions in the ordinary course of business from such stock or ownership interest; or

(3) Serving as a director of any entity listed in this subsection (b) and receiving fees or other compensation in the ordinary course of business for such service.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.