

HOUSE BILL 2584

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 56,  
relative to insurance.

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

SECTION 1. Tennessee Code Annotated, Section 56-5-308, is amended by deleting subsection (b) and substituting instead the following:

**(b) Disapproval Procedure.**

(1) If the commissioner disapproves or modifies a filing, the commissioner shall issue a written order specifying in what respect that the rate proposed in the filing is excessive, inadequate or unfairly discriminatory or otherwise fails to meet the requirements of this part. The person making the filing shall be given a hearing upon written request made within ten (10) days after the disapproval or modification order.

(2) If the commissioner disapproves rates already in effect, the commissioner shall issue the order only after a hearing held on not less than twenty (20) days' written notice to the insurer or rate service organization that made the filing. The order shall be issued within fifteen (15) days after the close of the hearing and shall specify in what respects the rates fail to meet the requirements of this part. The order shall also state when, within a reasonable period of time, but not less than forty-five (45) days, the further use of the rate in contracts of insurance made thereafter shall be prohibited. The order may include a provision for premium adjustment for policies issued, renewed or nonrenewed after the effective date of the order. In disputes concerning a multiplier, the insurer shall have the burden of persuasion that the

commissioner's disapproval, modification, or failure to approve was  
inappropriate.

SECTION 2. This act shall take effect July 1, 2012, the public welfare requiring it.