

HOUSE BILL 3112

By Curtiss

AN ACT to amend Tennessee Code Annotated, Title 56,
Chapter 5, relative to insurance rates and rating
organizations.

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

SECTION 1. Tennessee Code Annotated, Section 56-5-306, is amended by adding the following language as new, appropriately designated subsections:

() Notwithstanding any other provision of this title, subdivision (a)(1) shall not apply to any insurer of commercial risk insurance for an exempt commercial risk policyholder, other than inland marine risks if the insurer and commercial risk policyholder elect, and are qualified, to proceed under this section.

() For purposes of this section, "exempt commercial risk policyholder" means an insured that employs the services of an insurance producer or broker, or procures commercial insurance with the services of a full-time risk manager, and:

(1) Is a city, county, or metropolitan government with a population of at least fifty thousand (50,000) persons, or this state, or a not-for-profit organization or a public entity with an annual budget of at least twenty-five million dollars (\$25,000,000) in the preceding fiscal year; or

(2) Certifies to the insurer that it meets all four (4) of the following criteria:

(A) Possesses a net worth of more than ten million dollars (\$10,000,000) at the time the policy of insurance is issued;

(B) Generated net revenue or sales of more than five million dollars (\$5,000,000) in the preceding fiscal year;

(C) Employs more than twenty-five (25) employees per individual company or fifty (50) employees per holding company aggregate at the time the policy of insurance is issued; and

(D) Paid annual aggregate insurance premiums of more than fifty thousand dollars (\$50,000) in the preceding fiscal year.

() Policies issued to exempt commercial risk policyholders are exempt from the filing requirements of this chapter.

() The application or policy issued to exempt commercial risk policyholders shall contain a disclaimer in language similar to the following:

"The rate provided for in this policy is exempt from the filing and approval requirements of Tennessee Code Annotated, Section 56-5-306. The forms which make up this policy contract are exempt from the filing and approval requirements of Tennessee Code Annotated, Section 56-5-306."

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