

Insurance Bills as of February 28, 2007

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- SB 0133 **Insurance Companies, Agents, Brokers, Policies** - Prohibits homeowner's insurers from canceling or
HB 0041 failing to renew policy of insured solely for filing one claim for property loss. (S: Cooper, Kelby; H: Fraley)
- SB 0144* **Requires seat belts on school buses.** Requires all school buses to be equipped with seat belts or other
HB 1131 restraint system approved by the federal government for driver and all passengers by July 1, 2012. Also
requires each passenger to wear such seat belt while the bus is in operation. (S: Harper, H: West)
- SB 0149 **Individual companies to have workers' compensation rating,** Specifies that businesses have an
HB 1319 individual workers' compensation experience rating, based on the nature of the business, its loss run
history and any other relevant factor. Prohibits business entities from being combined for purposes of
determining experience ratings. (S: Southerland, Kilby, Ketron; H: West)
- SB 0224* **Accident reports to include insurance policy information.** Requires written motor vehicle accident
HB 0851 reports to include insurance policy names and policy numbers. Requires, rather than allows, both parties
involved in accident to exchange insurance information. (S: Ketron; H: Eldridge, Johnson C)
- SB 0301* **Preference in insurance coverage - 1,000-member association.** Broadens the basis upon which an
HB 0276 insurer may give distinction in insurance coverage, rates, premiums, benefits, or conditions. Allows
insurer to give distinction based on actuarial data of an association or occupational classification with
over 1,000 members anywhere in TN rather than the current allowance for professional associations with
over 5,000 members in at least 80 counties. (S: Ketron; H: Sargent)
- SB 0529* **Collection of insurance information by highway patrol.** Requires highway patrol officers to obtain
HB 0837 certain insurance information of involved drivers in accident or incident reports, including the name of the
driver's insurance company, the policy number, and relevant contact information for claims. (S: Jackson;
H: Tidwell)
- SB 0547* **Accident reports to include insurance info.** Requires investigating officers to include on accident
HB 1413 report forms the name of the insurance company and policy number, if known, of persons involved in
traffic accidents. (S: Bunch, Ketron; H: Watson, Bean, Maggart)
- SB 0548* **Proof of insurance required for motor vehicle registration.** Requires proof of insurance before
HB 1417 automobile owner may register motor vehicle. (S: Bunch; H: Watson, Bean, Maggart)
- SB 0560 **Liability insurance required on all motor vehicles.** Requires liability insurance be maintained on all
HB 0324* motor vehicles operated in Tennessee. Prohibits registration or renewal of registration of motor vehicle
without proof of liability insurance. Requires insurer to notify division of financial responsibility within five
working days when coverage is terminated. Gives owner of motor vehicle 60 days to obtain insurance
coverage again before vehicle registration is terminated. (S: McNally; H: Hackworth)
- SB 0651* **Surety bond requirement for notary publics.** Increases surety bond requirement for notary publics
HB1384 from \$10,000 to \$25,000. (S: Henry; H: Jones S, Moore, Turner M)
- SB 0784* **Watercraft Titling Act of 2007.** Requires every owner of watercraft used mainly in TN to obtain a
HB 1921 certificate of title with the county clerk by July 1, 2011. Provides exemption for watercraft registered with
the U.S. Coast Guard. Sets fee amounts for applications, transfers of title, and title replacement.
Authorizes TWRA to issue certificates for abandoned, salvaged or rebuilt watercraft that shall be
accepted by county clerks as evidence of ownership. Prohibits dealers from purchasing new watercraft
without acquiring certificate of origin. Creates certain misdemeanor offenses related to watercraft titling
(22 pp.). (S: Burchett, Kilby; Ketron; H: Rinks, Harrison)
- SB 0831 **Liability of state and local government.** Increases the maximum level of tort liability for entities of state
HB 0758* and local government. (S: Cooper; H: Matheny)

- SB 0857 **Maximum total benefit for injuries.** Sets maximum total compensation at 400 times the average weekly
HB 0613 wage, except for temporary total disability and permanent total disability for injuries occurring on or after
July 1, 2007. (S: Kilby, H: Turner M.)
- SB 0894 **Proof of financial responsibility required for registration.** Prohibits department of safety from issuing
HB 0391* registration for a motor vehicle unless applicant provides proof of financial responsibility. (S: Ketron; H:
Crider)
- SB 1044 **Maximum total benefit for injuries after 7/1/07.** For injuries occurring on or after 7/1/07, sets maximum
HB 1081* total benefit at 400 times 100% of state's average weekly wage, except for temporary total disability and
permanent total disability and permanent total disability. Contains broad caption. (S: Finney L.; H: Turner
M.)
- SB 1088 **School buses to have approved restraint systems.** Requires all school buses purchased after July 1,
HB 1004* 2007, to have a restraint system approved by the National Transportation Safety Board for all
passengers and driver. Requires all school buses in use after July 1, 2019, to have an approved restraint
system. (S: Burks; H: Curtiss)
- SB 1401 **Penalties doubled for violation of cease and desist orders.** Doubles the civil penalties the
HB 1020* commissioner of commerce and insurance may impose in conjunction with a cease and desist order for
certain unfair practices. (S: Kilby; H: Ferguson)
- SB 1591 **Commerce and Insurance license holders.** Permits retirement of licenses for persons licensed under
HB 1027* jurisdiction of Department of Commerce and Insurance. (S: Norris; H: Todd)
- SB 1682 **Requires seat belts on school buses.** Requires all school buses purchased after July 1, 2007, to be
HB 0685* equipped with safety belts or other safety restraint system approved by the federal government. (S:
Herron; H: Fitzhugh)
- SB 1745* **Coverage of sole proprietors and partners.** Allows sole proprietors and partners to choose to not be
HB 1646 covered as an employee under the Workers' Compensation Law. (S: Ketron; H: Mumpower)
- SB 1746* **Definition of independent contractor.** Provides that if sole proprietor or partner provides certain
HB 1642 documents (business license, tax identification number or employer identification number, general liability
insurance, contractor's license, invoice detailing work performed and fee charges, and copy of prior
year's federal income tax returns), it is conclusively presumed that sole proprietor or partner is
independent contractor. List factors to be used to determine if sole proprietor or partner is independent
contractor if sole proprietor or partner is unable to provide such documents. (S: Ketron; H: Mumpower)
- SB 1747* **Workers' Compensation Appeals Board.** Establishes a Workers' Compensation Appeals Board for
HB 1643 disputes arising out of application of the workers' compensation rating system in the department of
commerce and insurance. Specifies membership of board and requires all meetings of board to be in
Tennessee. (S: Ketron; H: Mumpower)
- SB 1748* **Workers' compensation insurance for sole proprietors.** Requires sole proprietors and partners in the
HB 1645 construction industry to carry workers' compensation insurance on themselves. (S: Ketron; H:
Mumpower)
- SB 1749* **Coverage for sole proprietors and partners.** Provides that when sole proprietorship or partnership fails
HB 1644 to elect to cover sole proprietor or partners under Workers' Compensation Law, principal or general
contractor is not liable for injuries sustained by sole proprietor or partners if sole proprietors or partners
are not employees of principal or general contractor. Provides that sole proprietor or partners of
partnership who do not elect to be covered by Workers' Compensation Law and be deemed employees
and who deliver to principal or general contractor current certification of noncoverage will be conclusively
presumed not to be covered by law. Provides that principal or general contractor's insurance carrier is not
liable for injuries to sole proprietor or partners who have provided current certification of noncoverage.
Makes certification of noncoverage issued after 7/1/07 valid for two years after effective date stated on
certification. (S: Ketron; H: Mumpower)

- SB 1762* **Commerce and Insurance Commissioner's rulemaking authority.** Limits Commissioner of Commerce and Insurance's rulemaking authority to certain civil penalties with respect to improperly assessed workers' compensation premiums rather than applying also to requests and disputes generally involving insureds, insurers, and rate service organizations. (S: Kyle; H: Shepard)
- SB 1982 **Insurance producer licensing.** Requires each individual wishing to take the state insurance examination in order to obtain licensure as an insurance producer to first complete either an on-site or online preparation program approved by the commission. Also requires applicants to be at least 18 years of age, to have a high school diploma or GED, and to be of good moral character. Requires applicants, by January 1, 2012, to be 19 years of age and to have at least 30 semester hours from a university or community college. (S: Stanley; H: Eldridge) House Co-Sponsors: McManus; Coley; Matheny; Kelsey
- SB 1989* **Use of credit information by insurance companies.** Prohibits insurance companies from using an individual's credit information to underwrite, cancel, refuse a new risk or increase premiums on a policy. Further, such act is a violation of the Consumer Protection Act. (S: Williams; H: Roach)
- SB 2070 **Liability insurance on motor vehicles required.** Requires all owners of vehicles in Tennessee to maintain liability insurance on such vehicles. Prohibits issuance or renewal of vehicle registration without proof of insurance. Requires insurance companies to notify division of financial responsibility when insurance coverage is terminated. Gives owner of motor vehicle 30 days to obtain coverage again. (S: Flinn; H: Turner L.) House Co-Sponsor: Marrero
- SB 2095 **Rates based on zip codes prohibited.** Prohibits an insurance company from setting rates for insurance policies based upon the zip code of the applicant's place of residence or employment. (S: Finney L.; H: Towns) Senate Co-Sponsor: Burks
- SB 2169 **Civil penalties against insurance companies.** Allows the commissioner to assess a civil penalty against an insurance company in an amount not to exceed \$5,000 for each separate violation of any statute, rule or order, unless another civil penalty amount is specifically provided for by statute or rule. (S: Kyle; H: Odom) Senate Co-Sponsor: Tate

- SB 2200 **Unfair trade and claims settlement practices.** Enacts "TN Unfair Trade Practices Act of 2007." Defines
HB 2255* "insurer" and "depository institution" as separate entities. Includes the following in definition of unfair trade practices: misrepresentation of insurance policies, making of knowingly false statements to any insurance department official, unfair discrimination based solely on geographic location, age of residential property, sex, marital status, income, educational background, race, religion, or national origin, mental or physical impairment, or another insurer's refusal to write or renew a policy. States that no insurer shall offer more than one group insurance policy through any person not at least licensed as a limited lines producer, except for in employer/employee relationships. Requires an insurer to maintain records on marketing and performance and complaint handling. Prohibits an individual from acting as a financial planner if only engaged in sale of policies. Requires an insurance agent to disclose commission amounts and to state any fees in a written agreement. Requires all insurers to file information regarding sale of long-term insurance. Requires companies providing property and casualty insurance to provide loss information for previous three years upon written request. Authorizes insurers to offer preferences in property, marine, casualty or surety insurance only if to form an insurance policy based on membership for a professional association with more than 5,000 dues-paying members in at least 80 counties. Provides for the protection of members of the Armed Forces. Prohibits a depository institution from requiring a customer to buy insurance from a particular insurer as a condition for a loan. Requires that any depository institution offering insurance maintain distinct books relating to insurance transactions as well as physical separation from areas where retail deposits are made. Authorizes commissioner of commerce and insurance to investigate insurance activities of depository institutions. Enacts "TN Unfair Claims Settlement Practices Act of 2007." Includes in definition of unfair claims practices: knowingly misrepresenting relevant facts relating to coverage, failing to respond to claims in prompt manner, refusing to pay claims without investigation or failing to affirm or deny coverage within reasonable time of investigation, and failing to pay workers' compensation benefits. Authorizes commissioner of commerce and insurance to investigate both unfair trade practices and unfair claims practices, and sets forth process for hearings. Creates monetary penalties of up to \$1,000 per violation with aggregate not to exceed \$100,000. Specifies that if person reasonably knew of violation, the commissioner may suspend or revoke license and impose monetary penalty of up to \$25,000 with aggregate not to exceed \$250,000. Creates penalty for violation of cease and desist order. Specifies that when payments have been made to a claimant prior to trial, the payments shall not be construed as admission of liability and may also be used to reduce amount owed to plaintiff if verdict is in favor of claimant. Clarifies that advance payments shall not interrupt statute of limitations on any claim (35 pp.). (S: Kyle; H: Odom)
Senate Co-Sponsor: Haynes
- SB 2237 **Violations of Consumer Protection Act.** Requires alleged violator of Consumer Protection Act to file a
HB 2337* report with the division of consumer affairs in the department of commerce and insurance within ten days from the date of the request for information from the division regarding the alleged violation. Clarifies that a violation of any part of the Consumer Protection Act will be construed to constitute an unfair or deceptive act or practice and subject to the penalties and remedies under such act. (S: Kyle; H: Odom)
- SB 2263 **Interstate Insurance Product Regulation Compact Act of 2007.** Establishes the Interstate Insurance
HB 2285* Product Regulation Compact and thereby authorizes state's membership in the commission of said organization. Enumerates the powers of the commission regarding product submission and review and prescribes the methods of membership, voting, and bylaws for the commission. Establishes legislative and advisory committees and requires the commission meet at least once a calendar year. Details methods for dispute resolution and compact dissolution when necessary. (S: Kyle; H: Odom)