

HOUSE BILL 308

By Sargent

AN ACT to amend Tennessee Code Annotated, Title 29, Chapter 20 and Title 50, Chapter 6, Part 1, relative to government liability.

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

SECTION 1. Tennessee Code Annotated, Section 29-20-311, is amended by adding the following language at the end of the section:

This section shall also apply to self-insured entities whether or not they purchase reinsurance or high single insured retentions. If the entity chooses to completely self-insure, that entity's tort liability limit shall be that provided in § 29-20-403.

SECTION 2. Tennessee Code Annotated, Section 29-20-403, is amended by deleting subsection (a) and substituting instead the following:

(a) Any governmental entity may purchase comprehensive general liability or commercial automobile liability insurance to cover its liability under this chapter in an amount commensurate with the entity's desire to protect its citizens and the wise and prudent use of public funds.

SECTION 3. Tennessee Code Annotated, Section 29-20-403, is further amended by adding the following language as a new subsection (b) and redesignating the current subsection (b) and remaining subsections accordingly:

(b) If a governmental entity purchases limits in excess of those provided by this section, the higher limits shall become the entity's tort liability limit as provided in § 29-20-311.

SECTION 4. Tennessee Code Annotated, Section 29-20-403(b)(1)(B), is amended by deleting the language "(b)(1)(A)" and substituting instead the language "(c)(1)(A)".

SECTION 5. Tennessee Code Annotated, Section 29-20-403(c), is amended by adding the language “with or without reinsurance,” after the language “its liability,” and before the language “shall have”; and is further amended by adding the language “in (c)(4)” before the period (.) at the end of the subsection.

SECTION 6. Tennessee Code Annotated, Section 50-6-106(6), is amended by adding the following language after the first sentence of the subdivision:

If a public entity, as described in this subdivision (6), chooses to opt out of this chapter, that entity’s occupational liability will be limited as outlined in §§ 29-20-311 and 29-20-403.

SECTION 7. This act shall take effect July 1, 2009, the public welfare requiring it.