

HOUSE BILL 1240

By Floyd

AN ACT to amend Tennessee Code Annotated, Section 56-5-315 and Title 56, Chapter 8, relative to unfair trade practices in the business of insurance.

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

SECTION 1. Tennessee Code Annotated, Section 56-8-104(18), is amended by adding the following language as a new subdivision:

(E)

(i) Notwithstanding any other provision of this title to the contrary, an insurer may make, offer to make, or permit a preference or distinction in property, marine casualty or surety insurance as to form or policy, certificate, premium, rate, benefits or conditions of insurance, based upon membership in an association or affinity group that is actuarially justified and not excessive, inadequate or unfairly discriminatory.

(ii) The commissioner may make examination of any insurer under § 56-5-315 to ascertain compliance with this subdivision (18)(E).

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