

SENATE BILL 484

By Gardenhire

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7; Title 29 and Title 56, relative to
insurance.

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

SECTION 1. Tennessee Code Annotated, Section 29-20-407, is amended by deleting the section and substituting the following:

(a) Every governmental entity shall utilize public bidding when purchasing any of the insurance authorized by this chapter, including, but not limited to, the liabilities created by this chapter, including general and professional liabilities; liabilities under the Workers' Compensation Law, compiled in title 50, chapter 6; and property and motor vehicle insurance.

(b) When insurance described in subsection (a) is offered through a plan authorized and approved by any organization of governmental entities representing cities, counties, and school districts, or created and authorized under the auspices of such a plan, then that plan's public bid must contain:

(1) A listing, by name of the recipient, of all compensation, fees, or other remuneration paid by the organization during the audit year to, or accrued on behalf of, the organization's directors and officers;

(2) A listing, by name of recipient, of all compensation and any other remuneration paid by the organization during the audit year to, or accrued on behalf of, any employee of the organization who receives the remuneration;

(3) A listing, by name of beneficiary, or any deferred compensation, salary continuation, retirement or other fringe benefit plan or program, excluding

qualified health and life insurance plans available to all employees or the organization on a nondiscriminatory basis, established or maintained by the organization for the benefit of any of the organization's directors, officers, or employees, and the amount of any funds paid or accrued to the plan or program during the audit year; and

(4) A listing, by name of recipient, of all fees paid by the organization during the audit year to any contractor, professional advisor, or other personal services provider during the audit year. The listing must also include a statement as to the general effect of each contract.

(c) When insurance described in subsection (a) is offered through a plan authorized and approved by any organization of governmental entities representing cities, counties, and school districts, or created and authorized under the auspices of such a plan, then that plan's public bid is subject to § 56-8-104(1)-(5).

(d) The comptroller of the treasury may impose penalties against governmental entities that violate this section. Such penalties must be described in rules promulgated by the comptroller of the treasury.

(e) The comptroller of the treasury may promulgate rules to effectuate this section. All rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to contracts for insurance entered into or renewed on or after the effective date of this act.