

SENATE BILL 1767

By Herron

AN ACT to amend Tennessee Code Annotated, Title 56,
Chapter 12, relative to insurance guaranty
associations.

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

SECTION 1. Tennessee Code Annotated, Section 56-12-107, is amended by deleting subdivision (a)(1)(A) in its entirety and by substituting instead the following:

(a)

(1)

(A) Be obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within thirty (30) days after the determination of insolvency, or before the policy expiration date if less than thirty (30) days after the determination, or before the insured replaces the policy or on request effects cancellation, if the insured does so within thirty (30) days of the determination, but the obligation shall include only that amount of each covered claim that is in excess of one hundred dollars (\$100) and is less than two hundred fifty thousand dollars (\$250,000), except that the association shall pay the full amount of any covered claim arising out of a workers' compensation policy. In no event shall the association be obligated to a policy holder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises;

SECTION 2. This act shall take effect July 1, 2009, the public welfare requiring it.