

SENATE BILL 1996

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 8,
relative to insurance for local government officials
and employees.

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

SECTION 1. Tennessee Code Annotated, Section 8-19-101, is amended by adding a
new subsection as follows:

(f)

(1) Notwithstanding any law to the contrary, a governmental entity may obtain and pay the premiums or other costs with respect to a policy of insurance issued by an insurance company duly authorized to do business in this state or an agreement with an administrative entity or pool established pursuant to § 29-20-401, that provides government crime coverage, employee dishonesty insurance coverage, or equivalent coverage that insures the lawful performance by officials and their employees of their fiduciary duties and responsibilities. Any such policy maintained shall have limits of not less than four hundred thousand dollars (\$400,000) per occurrence.

(2)

(A) A policy satisfying the requirements set forth in subdivision (e)(1) shall be deemed to be a blanket official bond for each official or office identified in the policy for all purposes, including § 4-4-108 and this section.

(B) A certificate of insurance evidencing the officials and offices covered, the amount of coverage maintained, and the type of coverage

provided shall be filed in the register's office for the county in which the official is located.

(C) A certificate of insurance shall satisfy all requirements for the filing of the official bond by the named officials.

(3) If a governmental entity obtains and pays premiums on an insurance policy pursuant to subsection (e)(1), then the monetary limits pursuant to the Governmental Tort Liability Act, compiled in chapter 20 of this title shall not increase.

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