



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-5065
615-741-6007

PHIL BREDESEN
GOVERNOR

LESLIE A. NEWMAN
COMMISSIONER

BULLETIN

TO: All Workers' Compensation Insurance Companies in Tennessee

FR: Leslie A. Newman, Commissioner
Department of Commerce and Insurance

A handwritten signature in cursive script that reads "Leslie A. Newman".

RE: 2010 Tennessee Public Acts, Chapter 1

DT: January 29, 2010

The purpose of this Bulletin is to notify insurance companies in this state of the Department's interpretation of 2010 Tennessee Public Acts, Chapter 1 and its applicability to those policies purchased in compliance with 2008 Tennessee Public Acts, Chapter 1041.

2010 Tennessee Public Acts, Chapter 1 (PC 1) was signed into law by Governor Bredesen on January 22, 2010. This law suspends until March 28, 2011 the requirement imposed by 2008 Tenn. Pub. Acts ch. 1041 (PC 1041) that sole proprietors and partners in the contracting business secure workers' compensation coverage on themselves.

The Department has been asked whether a sole proprietor or partner who elected to receive coverage under the Assigned Risk Plan in order to comply with PC 1041 would still have coverage after January 22, 2010. Companies should be advised that it is the Department's position that all coverage which was obtained THROUGH THE ASSIGNED RISK PLAN by election is eliminated as of January 22, 2010. Carriers should be prepared to send notices to Assigned Risk policyholders who elected such coverage informing them that they no longer have coverage under the election they took without an affirmative written request to continue coverage. An Assigned Risk policyholder will have until February 26, 2010 to request coverage be continued on themselves in the event they would like to maintain such coverage. The completion of a Form I-4, developed and properly processed by the Department of Labor and Workforce Development, will be necessary in order for the person to purchase or continue this

coverage. A carrier in the Assigned Risk plan will not be liable for any injury occurring to an owner not choosing to purchase or continue coverage after January 22, 2010.

For both Assigned Risk and non-Assigned Risk policies alike, it is the position of the Department after consulting with NCCI that a request to cancel a policy or a request to remove coverage for an owner which was obtained for the purpose of complying with PC1041 requires a pro-rata premium refund.

Should you have any questions concerning the issues or positions set forth in this Bulletin, or its application, please feel free to contact the Workers' Compensation area of the Policy Analysis Section of Tennessee Insurance Division at 615-741-0472.

LAN/lnw