



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
LEGAL SERVICES

500 JAMES ROBERTSON PARKWAY  
VOLUNTEER PLAZA BUILDING, FIFTH FLOOR  
NASHVILLE, TENNESSEE 37243

NED McWHERTER  
GOVERNOR

ELAINE A. McREYNOLDS  
COMMISSIONER

B U L L E T I N

TO: All Insurers

FROM: Elaine A. McReynolds *EAM*  
Commissioner

RE: Refund of Premium

DATE: August 26, 1991

It has recently come to our attention that some insurers may be issuing refund of premium checks jointly to the insured and to the agent. Some agents may be then attempting to deposit the refund into the agency account to offset balances owed by that insured on other policies which may or may not be with the same insurer.

This Department regards the issuance of refund checks jointly to the insured and the agent as an unfair trade practice. Furthermore, the Department regards the offsetting among policy balances by an agent, whether or not such balances are with the same insurer, as a misappropriation of the funds of an insured. Accordingly, insurers and agents should immediately cease these practices.

EAM:MC