



**BULLETIN C-20-1**  
**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**BULLETIN 20-05**  
**DEPARTMENT OF COMMERCE AND INSURANCE**

**TO:** Premium Finance Companies  
Insurance Carriers

**FROM:** Greg Gonzales, Commissioner  
Department of Financial Institutions  
Hodgen Mainda, Commissioner  
Department of Commerce and Insurance

**RE:** COVID-19 Guidance Regarding Premium Finance Agreements

**DATE:** April 3, 2020

The Department of Commerce and Insurance and the Department of Financial Institutions (collectively, "Departments") continue to recognize the impact and the consequences of the efforts of individuals and the business community to limit the spread of COVID-19. The Departments further recognize that premium finance companies licensed under the Premium Finance Company Act, Tenn. Code Ann. §§ 56-37-101, *et seq.* provide an important lending function to individuals and businesses with respect to financing the payment of insurance premiums pursuant to premium finance agreements. Further, the Departments understand that disruptions to normal operations resulting from COVID-19 may result in insureds being unable to meet payment obligations under these agreements.

Considering the unprecedented challenges to individuals and businesses resulting from COVID-19, the Department of Financial Institutions is encouraging premium finance companies, to the greatest extent possible, to accommodate insureds by extending or providing grace periods for loan payments or to be otherwise flexible with respect to determinations of default under premium finance agreements. Moreover, in order to facilitate this accommodation, the Department of Commerce and Insurance is encouraging insurance carriers to work with premium finance companies to facilitate any grace period modifications.

The severe and ongoing economic impact resulting from the COVID-19 pandemic calls on everyone to work together to support individuals and members of the business community who, through no fault of their own, are incurring economic hardship. In recognizing this impact, the Department of Commerce and Insurance and the Department of Financial Institutions stand ready to facilitate coordination between premium finance companies and insurance carriers.

If you have any questions pertaining to this bulletin please contact Bill Huddleston, Director of Insurance, Division of Insurance, Department of Commerce and Insurance @ [Bill.Huddleston@tn.gov](mailto:Bill.Huddleston@tn.gov), (615) 360-4467 or Jack Lay, Chief Administrator-Examinations, Compliance Division, Tennessee Department of Financial Institutions, [Jack.lay@tn.gov](mailto:Jack.lay@tn.gov), (865) 765-6277.