

Notice of Rulemaking Hearing
Department of Commerce and Insurance
Insurance Division

There will be a hearing before the Insurance Division of the Department of Commerce and Insurance ("Division") to consider the promulgation of amendments of rules in Chapter 0780-1-37. The hearing will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-204, and will take place in Conference Room A, on the Fifth Floor of the Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee 37243 at 10:00 a.m. CST on the 18th day of November, 2002.

Any individuals with disabilities who wish to participate in these proceedings should contact the Division to discuss any auxiliary aids or services needed to facilitate such participation. Such initial contact may be made no less than ten (10) days prior to the scheduled meeting date to allow time for the Division to determine how it may reasonably provide such aid or service. Initial contact may be made with the Division's ADA Coordinator at Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee 37243 at (615) 741-2176.

For a copy of this notice of rulemaking hearing, please contact John F. Morris, Staff Attorney, at (615) 741-2199.

Chapter 0780-1-37

Relating to the Filing of Annual Statements with the
Department of Insurance

Amendments

Chapter 0780-1-37 Relating to the Filing of Annual Statements with the Department of Insurance is amended by deleting the chapter in its entirety and substituting the following language so that, as amended, the chapter shall read:

Chapter 0780-1-37

Annual Statement Filing Requirements

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0780-1-37-.01 Definitions

- (1) As used in this Chapter, unless noted otherwise, the following definitions shall apply:
 - (a) "Commissioner" means the Commissioner of the Tennessee Department of Commerce and Insurance.
 - (b) "Department" means the Tennessee Department of Commerce and Insurance.

Authority: Tenn. Code Ann. §§ 56-1-501 and 56-44-102(a)(1).

0780-1-37-.02 Form of Annual Statements to Be Filed with the Department of Commerce and Insurance.

- (1) Pursuant to the annual financial reporting requirements of Tenn. Code Ann. § 56-1-501, all companies enumerated in Tenn. Code Ann. § 56-1-501(b) must use the following annual statement forms adopted by the National Association of Insurance Commissioners, as amended from time to time, as is appropriate for each line or types of insurance business in which the company is engaged, unless such forms are in contradiction with a law or statute:
 - (a) Life and Accident and Health Annual Statement Blank
 - (b) Property and Casualty Annual Statement Blank
 - (c) Title Annual Statement Blank
 - (d) Fraternal Annual Statement Blank
 - (e) Health Annual Statement Blank
- (2) Companies are required to use any annual statement forms adopted by the National Association of Insurance Commissioners for any other lines or types of insurance business that may be applicable to companies licensed and operating in this State.

Authority: Tenn. Code Ann. § 56-1-501.

0780-1-37-.03 Instructions for Completion of Annual Statement Forms.

- (1) For completion of the annual statement forms required under Rule 0780-1-37-.02, and except when such instructions conflict with a statute, the applicable instructions adopted by the National Association of Insurance Commissioners, as amended from time to time, and as follows, as well as all other applicable rules adopted by the Department, must be followed in completing and filing the annual statement forms:
 - (a) Instructions for Completing Life and Accident and Health Annual Statement Blank
 - (b) Instructions for Completing Property and Casualty Annual Statement Blank
 - (c) Instructions for Completing Title Annual Statement Blank
 - (d) Instructions for Completing Fraternal Annual Statement Blank
 - (e) Instructions for Completing Health Annual Statement Blank
- (2) Companies are required to use any instructions adopted by the National Association of Insurance Commissioners which are applicable to any annual statement form referenced in Rule 0780-1-37-.02.

Authority: Tenn. Code Ann. § 56-1-501.

0780-1-37-.04 Quarterly Financial Statements to Be Filed with Department of Commerce and Insurance.

- (1) In addition to annual statements required by Tenn. Code Ann. § 56-1-501, all companies required to file such annual statements are also required to file financial statements on a quarterly basis. Such quarterly statements must be filed on May 15, August 15, and November 15 of each year. Foreign insurance companies shall unless requested by the

Commissioner file their quarterly statements with the National Association of Insurance Commissioners in lieu of filing such statements with the Commissioner.

- (2) Pursuant to the annual financial reporting requirements of Tenn. Code Ann. § 56-1-501, all companies enumerated in Tenn. Code Ann. § 56-1-501(b) must use the following Quarterly Financial Statement forms adopted by the National Association of Insurance Commissioners, as amended from time to time:
 - (a) Life and Accident and Health Quarterly Statement Blank
 - (b) Property and Casualty Quarterly Statement Blank
 - (c) Title Quarterly Statement Blank
 - (d) Fraternal Quarterly Statement Blank
 - (e) Health Quarterly Statement Blank
- (3) Companies are required to use any quarterly statement form adopted by the National Association of Insurance Commissioners for any other lines or types of insurance business that may be applicable to companies licensed and operating in this State.

Authority: Tenn. Code Ann. §§ 56-1-501 and 56-44-102(a)(1).

0780-1-37-.05 Violations and Penalties.

Any company that fails to make and file its annual statement in the form and time provided by this rule shall be subject to the penalties provided for by Tenn. Code Ann. § 56-1-502, as well as such other sanctions provided for by law.

Authority: Tenn. Code Ann. §§ 56-1-501, 56-1-502 and 56-44-102(a)(1).

0780-1-37-.06 Applicability of Financial Statements or Information Prepared on a Basis Other than Statutory Accounting Practices.

Financial statements or information not prepared in a manner consistent with all applicable laws and the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual in effect for the applicable reporting period shall not be deemed to meet the filing requirements of Tenn. Code Ann. § 56-1-501 or Rule 0780-1-37-.04.

Authority: Tenn. Code Ann. §§ 56-1-501 and 56-44-102(a)(1).

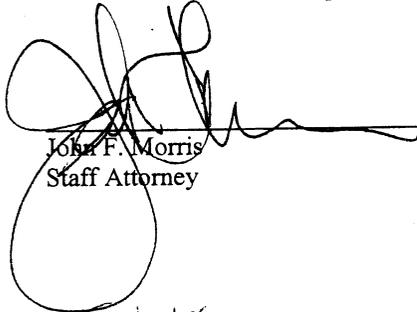
Legal Contact and/ or party who will approve final copy for publication:

John F. Morris
Staff Attorney
Office of Legal Counsel
25th Floor Tennessee Tower
312 Eighth Avenue, North
Nashville, Tennessee 37243
615-741-2199

Contact for disk acquisition:

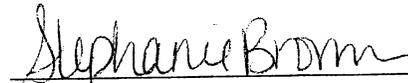
John F. Morris
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312 Eighth Avenue, North
Nashville, Tennessee 37243
615-741-2199

I certify that this is an accurate and complete representation of the intent and scope of rulemaking proposed by the Commissioner of Commerce and Insurance.



John F. Morris
Staff Attorney

Subscribed and sworn to before me this the 30 day of September, 2002.



Notary Public

My commission expires on the 28 day of January, 2004.

The notice of rulemaking set out herein was properly filed in the Department of State on the 30th day of September, 2002.



Riley C. Darnell
Secretary of State

BY: Shawna Gaw

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