STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

NED McWHERTER
GOVERNOR

ELAINE A. McREYNOLDS
COMMISSIONER

B U L L E T I N

TO: All Life and Health Insurers Doing Business in Tennessee

FR: Elaine A. McReynolds
Commissioner

RE: Claims Payment Practices

DA: July 17, 1990

Members of the General Assembly of the State of Tennessee have expressed concern to me recently about claims payment practices of life and health insurers doing business in Tennessee. They have the impression that companies are denying claims knowing that the "little guy" will in most cases not take the insurer to court. There is also concern that at this time of rising health care costs, insurers are delaying payment of claims in order to hold onto monies as long as possible prior to paying claims that are rightfully owed to insureds.

Such practices are clearly prohibited by the unfair claim settlement practices portion of the Unfair Trade Practices Act, T.C.A. Section 56-8-101 et seq. You are reminded of your obligations under contract and under the law. I urge you to review your claims payment and policyholders service operations to insure that Tennessee policyholders are being treated fairly in all cases.

EAM/cmf