



# *State of Tennessee*

## **PUBLIC CHAPTER NO. 67**

### **SENATE BILL NO. 1376**

**By Bell; Mr. Speaker McNally; Pody, Yarbrow**

Substituted for: House Bill No. 523

By Gant, Cepicky, Powers, Hawk, Smith, Thompson, Curcio, Rudder, Freeman, Carr, Hodges, Halford, White, Mitchell, Curtis Johnson, Farmer, Keisling, Hazlewood

AN ACT to amend Tennessee Code Annotated, Section 56-7-102, relative to insurance.

WHEREAS, a policy of insurance is a contract between the insurance company and the policyholder; and

WHEREAS, the rights, duties, and obligations under a policy of insurance are enforceable in accordance with the policy's terms, statutes enacted by the General Assembly, and applicable rules adopted by the Department of Commerce and Insurance; and

WHEREAS, the General Assembly has enacted a statute, Tennessee Code Annotated, Section 56-7-120, regulating the assignability of benefits only under certain policies of insurance that provide coverage for health care; and

WHEREAS, except for policies subject to Tennessee Code Annotated, Section 56-7-120, Tennessee jurisprudence recognizes that a provision in a policy of insurance prohibiting assignment without the consent of the insurance company is valid and enforceable; and

WHEREAS, the General Assembly, by this act, confirms that a provision in a policy of insurance prohibiting assignment is valid and enforceable in accordance with the terms of such provision, subject to exceptions in Tennessee Code Annotated, Section 56-7-120; now, therefore,

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:**

**SECTION 1.** Tennessee Code Annotated, Section 56-7-102, is amended by adding the following as a new subsection:

(g) Except as provided in § 56-7-120, the rights, duties, or benefits provided by a policy of insurance issued under this title may be assigned only as expressly provided by the terms of the policy of insurance or as otherwise expressly allowed by the insurer.

**SECTION 2.** This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 1376

PASSED: March 15, 2021

  
RANDY McNALLY  
SPEAKER OF THE SENATE

  
CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 29<sup>th</sup> day of March 2021

  
BILL LEE, GOVERNOR