

SENATE BILL 525

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 55, Chapter 12 and Title 56, Chapter 7, relative to motor vehicle financial responsibility.

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

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 11, is amended by adding a new section thereto, as follows:

56-7-1118.

(a) An owner or operator of a motor vehicle who operates a motor vehicle on the public highways of this state in violation of § 55-12-139 or who knowingly permits the operation of the motor vehicle on the public highways of this state in violation of § 55-12-139 shall:

(1) Be deemed to have waived any right to recover against a complying policyholder for noneconomic loss; and

(2) Recover, if at all, only for an award for economic loss.

(b) In an action against a complying policyholder by a person deemed to have waived recovery pursuant to subsection (a):

(1) Any award in favor of such person shall be reduced by an amount equal to the portion of the award representing compensation for noneconomic losses; and

(2) No jury shall be informed, directly or indirectly, of such waiver or of its effect on the total amount of such person's recovery.

(c) Subsection (a) shall not apply if it is shown by a preponderance of the evidence that the accident was caused, wholly or in part, by a tortfeasor's operating a motor vehicle under the influence of drugs or alcohol, or if the person

causing the accident is convicted of vehicular assault or homicide arising from such accident.

(d) This section shall not apply to an uninsured motorist whose immediately previous insurance policy meeting the requirements of §§ 55-12-105 through 55-12-107 was terminated or nonrenewed for failure to pay the premium, unless:

(1) Notice of termination or nonrenewal for failure to pay such premium was provided by such insurer at least thirty (30) days prior to the time of the accident; and

(2) Such insurance has lapsed, terminated, or otherwise been ineffective for at least thirty (30) days prior to the accident.

(e) Nothing in this section shall be construed to preclude recovery of benefits provided or economic loss coverage against an alleged tortfeasor.

(f) This section shall not apply to passengers in an uninsured motor vehicle.

SECTION 2. This act shall take effect July 1, 2011, the public welfare requiring it, and shall apply to all claims arising after such date.