



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-5065

BILL HASLAM  
GOVERNOR

JULIE MIX MCPEAK  
COMMISSIONER

MEMORANDUM

TO: All Property and Casualty Insurance Companies

FROM: Julie Mix McPeak, Commissioner *Julie Mix McPeak*

RE: Uninsured Motorist Property Damage Deductibles

DATE: February 13<sup>th</sup>, 2015

The Tennessee Department of Commerce and Insurance ("Department") has discovered that insurance carriers have been incorrectly adjusting policyholder claims under uninsured motorist property damage coverage in violation of Tenn. Code Ann. § 56-7-1201(c). This Memorandum serves as notice to all carriers that such violations are actionable and will not be tolerated by the Department.

Specifically, Tenn. Code Ann. § 56-7-1201(c) provides:

Every insured purchasing uninsured motorist bodily injury coverage shall be provided an opportunity to include uninsured motorist property damage coverage, subject to provisions filed with and approved by the commissioner, applicable to losses in excess of two hundred dollars (\$200). **However, the deductible of two hundred dollars (\$200) shall not apply if:**

**(A) The vehicle involved in the accident is insured by the same insurer for both collision and uninsured motorist property damage coverage; and**

**(B) The operator of the other vehicle has been positively identified and is solely at fault.**

Any violations of this statute will be strictly enforced by the Department and penalties will be pursued under the authority of Tenn. Code Ann. § 56-2-305.

Any questions regarding the intent of this Memorandum should be directed to the Insurance Division's Policy Analysis Section, 6<sup>th</sup> Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243, and/or (615) 741-2825.