

CHAPTER NO. 8

HOUSE BILL NO. 1275

By Representatives Coleman, Curtiss, Pinion, Sargent, Larry Turner, Newton

Substituted for: Senate Bill No. 682

By Senator Cooper

AN ACT to repeal Tennessee Code Annotated, Section 56-6-201 through Section 56-6-204, relative to the sale of insurance.

WHEREAS, the United States Supreme Court, in Barnett Bank of Marion County, NA. Bill Nelson, Florida Insurance Commissioner, 517 US 25, 116 S.Ct.1103 (1996), held that federal laws allowing national banks to offer insurance agency services preempted a Florida statute (the "anti-affiliation statute") which limited the ability of banks and bank holding companies in that state to offer general insurance agency services to their customer;

WHEREAS, the Gramm-Leach-Bliley Act, Public Law 106-102, removed the barrier separating various financial services providers, including banks, insurance companies and securities broker/dealers, to permit cross ownership and sales of products in the financial area by all providers;

WHEREAS, Tennessee law retains an "anti-affiliation statute" (TCA, Sections 56-6-201 through 56-6-204) which on its face limits the ability of banks in Tennessee owned by bank holding companies to provide insurance agency services to their customers;

WHEREAS, Tennessee's statute is contrary to federal law and is obsolete; now, therefore,

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

Section 1. Tennessee Code Annotated, Sections 56-6-201 through 56-6-204 are repealed.

This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: March 7, 2005



JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES



JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 21st day of March 2005



PHIL BREDESEN, GOVERNOR