



## Guidance Document

### Insurance Policies for Reclamation for the State of Tennessee's Division of Radiological Health

Insurance certificates and policies submitted in fulfillment of the requirements of Tennessee Rule 0400-20-10-.12(4)(d)3 must meet the requirements in the checklist below.

NOTE: In order to remain in compliance with the Unfair Trade Practices and Unfair Claims Settlement Act of 2009, any terms specified in an insurance certificate must also be present in the policy itself. One simple way to ensure that this is the case – and to address many of the points below – is to attach a radiological health facility reclamation endorsement to the policy using language identical to that of the certificate.

### Checklist

- The division must receive a signed original of the insurance certificate. However, a PDF version of the signed original can initially be accepted as evidence of coverage. The required language for the certificate can be found in Tennessee Rule 0400-20-10-.12(4)(j) in the following PDF document:

<http://www.tn.gov/sos/rules/0400/0400-20/0400-20-10.20141224.pdf>

Or on the Division of Financial Responsibility's website at:

[http://www.tn.gov/environment/financial-responsibility/docs/radiological-health/insurance-certificate\\_rad-health.pdf](http://www.tn.gov/environment/financial-responsibility/docs/radiological-health/insurance-certificate_rad-health.pdf)

- The division must receive a copy of the full policy. A PDF version of the policy is sufficient, as long as the policy is signed appropriately.
- The certificate and policy must be accompanied by a personal bond pledging the licensee's personal performance guarantee. For acceptable personal bond language, please contact the department.

- The insurer must be licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer in the State of Tennessee.
- The limit of liability must be at least equal to the amount of financial assurance required.
- The insurance policy must guarantee that funds will be available to reclaim the facility whenever reclaiming is necessary.
- The policy must provide that the insurer may not cancel, terminate, or fail to renew the policy except for failure to pay the premium.
- The policy must indicate that if the insurer elects to cancel/terminate/not renew the policy, it must give 180-days' notice of its intention via certified mail.
- The automatic renewal of the policy must, at a minimum, provide the insured with the option of renewal at the face amount of the expiring policy.
- Cancellation, termination, or failure to renew may not occur and the policy will remain in full force and effect in the event that on or before the date of expiration.
  - (I) The Commissioner of the Department of Environment and Conservation deems the facility abandoned;
  - (II) The license is terminated or revoked or renewal is denied;
  - (III) Closure is ordered by the Commissioner or a court of competent jurisdiction;
  - (IV) The licensee is named as debtor in a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code; or
  - (V) The premium due is paid.
- The policy must be free of endorsements that could compromise the intent of the policy.

Note: *This checklist is provided only as a convenience in order to address some of the more common issues that we encounter when reviewing financial instruments. It is not intended as a complete representation of all applicable regulatory requirements. Please consult with your legal counsel and the TDEC Division of Financial Responsibility before submitting a financial instrument.*