



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
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PHIL BREDESEN
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PAULA A. FLOWERS
COMMISSIONER

BULLETIN

TO: All Property and Casualty Insurance Companies

FR: Paula A. Flowers, Commissioner *Paula A. Flowers*

RE: Premium Payment Plans

DT: August 15, 2005

It has been brought to the attention of the Department that there may be some confusion about whether premium payment plans are required to be filed with the Department and whether premium taxes apply.

Be advised that it has long been the position of the Department that all premium payment plans are supplementary rate information as defined by Tenn. Code Ann. § 56-5-302(10) and must be filed with the Department pursuant to Tenn. Code Ann. §§ 56-5-305 and 56-5-306.

Any service charge or fee for premium payments is subject to filing and review under the above referenced statutes.

Any filing which includes a service charge or fee must also include supporting information as defined by Tenn. Code Ann. § 56-5-302(11) justifying the charge or fee in accordance with Tenn. Code Ann. §§ 56-5-305 and 56-5-306. The justification should reflect only the administrative costs associated with the collection of the premium payment and may vary by the collection method used.

Premium taxes on such service charges or fees are required to be paid to the Department pursuant to Tenn. Code Ann. §§ 56-4-205 and 56-4-206.

Questions about this bulletin should be directed to the Actuarial Services Section of the Insurance Division at 615-741-2333.

PFM/skh