



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
1808 WEST END BUILDING
NASHVILLE, TENNESSEE 37219-5318

NED McWHERTER
GOVERNOR

ELAINE A. McREYNOLDS
COMMISSIONER

B U L L E T I N

TO: Automobile Insurers
FR: Elaine A. McReynolds *EAM*
Commissioner
RE: Underwriting - Applicants Without Prior Insurance
DA: April 22, 1993

It has come to the attention of the Department that some insurers may be automatically refusing to write applicants without previous automobile insurance without looking into the circumstances surrounding such lack of insurance. All automobile insurers doing business in the State should evaluate each risk individually and consider each on its merits.

Insurers should look at the reason that the applicant does not have prior insurance and consider whether or not this lack of insurance constitutes a violation of Tennessee's financial responsibility law. There may be circumstances such as someone serving in the armed forces abroad and garaging their automobile where there is a valid and explainable reason for the lack of prior insurance. As another example, a youthful driver acquiring their first car licensed in their name may have had prior insurance coverage under their family's policy. Again, insurers are directed to evaluate each risk individually and to consider each on its merits.

EAM/cmf