



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37219

NED McWHERTER
GOVERNOR

ELAINE A. McREYNOLDS
COMMISSIONER

B U L L E T I N

TO: All Insurance Companies Doing Business in the
State of Tennessee and Other Interested Parties

FR: Elaine A. McReynolds, Commissioner **EAM**
Department of Commerce and Insurance

RE: Punitive Damages

DA: September 1, 1988

Notice was given by the Department of Commerce and Insurance on March 12, 1986 that effective July 1, 1987 companies would be permitted to file exclusions of punitive damages coverage if they so desired. By Notice dated April 28, 1987 the date for the permission of punitive damage exclusions was extended until July 1, 1988.

The Department has now decided to maintain the past policy and continue to disallow punitive damages exclusions.

In the event the Commissioner determines after careful consideration of all relevant facts, that a line or type of coverage is otherwise unavailable, the Commissioner may consider limited exceptions to this policy. Pollution liability policies may continue the current exception and cover only compensatory damages.

This notice does not apply to uninsured motorists coverage which is permitted by statute to cover only compensatory damages.

EAM/cmf