

**RULES
OF
TENNESSEE DEPARTMENT OF INSURANCE
INSURANCE DIVISION**

**CHAPTER 0780-1-21
INCLUDING INVESTMENT INCOME IN RATE FILINGS**

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0780-1-21-.01 REQUIREMENT FOR FILING RATE SCHEDULES AND REVISIONS. No rating organization, insurer or group of insurers that transact an insurance business in this State shall file with this Department any rate schedule, or rate revision, which does not reflect, to the extent prescribed herein below, the investment income of each insurer whose experience is incorporated in the filing.

Authority: T.C.A. §§56-5-305 and 56-5-306. *Administrative History:* Original rule certified June 10, 1974.

0780-1-21-.02 RATE OF INVESTMENT INCOME. For the purposes of this Chapter the rate of investment income shall mean the quotient of (1) the net investment gain or loss as shown on line 9A of the Underwriting and Investment exhibit on page 4, of the appropriate Annual Statement, divided by (2) the cash and invested assets shown as the sum of items one (1) to seven (7) inclusive, on page 2 of the appropriate Annual Statement or Annual Statements filed with the Department covering the period of time reflected by the statistical data in such rate filing.

Authority: T.C.A. §§56-5-305 and 56-5-306. *Administrative History:* Original rule certified June 10, 1974.

0780-1-21-.03 DETERMINATION OF INVESTMENT INCOME ALLOCATED TO A RATE FILING. The amount of investment income allocated to a rate filing shall be determined by multiplying the rate of investment income as determined herein above by the sum of (1) the loss and loss adjustment reserves involved in the filing, and (2) the unearned premiums reduced by the allowances for acquisition costs, general expense, and taxes in the formula for the premiums which generated the reserve.

Authority: T.C.A. §§56-5-305 and 56-5-306. *Administrative History:* Original rule certified June 10, 1974.