

**RULES  
OF  
TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE  
DIVISION OF INSURANCE**

**CHAPTER 0780—1—51  
GUIDELINES TO BE FOLLOWED BY INSURANCE COMPANIES, INSURANCE AGENCIES,  
INSURANCE AGENTS, AND FINANCIAL INSTITUTIONS SHARING A RETAIL AREA**

**TABLE OF CONTENTS**

0780—1—51—.01	Purpose	0780—1—51—.04	Physical Facilities
0780—1—51—.02	Definitions	0780—1—51—.05	Advertising
0780—1—51—.03	Relationships	0780—1—51—.06	Solicitation Activities

**0780—1—51—.01 PURPOSE.** The purpose of these rules is to identify prohibited activities, which, taken in conjunction with another specific existing relationship, such as a lease, between a financial institution and/or insurance companies, agents, or agencies, would violate statutory provisions contained in T.C.A. §§56—6—126, 56—6—201 through 56—6—207, 56—8—101 through 56—8—104 and 56—8—106. The provisions of this chapter apply only when financial institutions share a retail area with insurance agents or agencies. This chapter does not apply to existing operations of financial institutions related to the sale of certain types of insurance, when such operations are specifically permitted by state and/or federal statutes.

*Authority:* T.C.A. §§56—6—127 and 56—8—113. *Administrative History:* Original chapter filed January 16, 1985; effective February 15, 1985.

**0780—1—51—.02 DEFINITIONS.** For the purposes of this Chapter, unless the context otherwise requires:

- (1) “Agent” means an “insurance agent” as defined in T.C.A. §56—6—102 (1) and an “agency” as defined in T.C.A. §56—6—102 (3).
- (2) “Financial Institution” means a bank, a bank holding company, savings and loan association, industrial loan and thrift company and credit union.
- (3) “Insurance” means all kinds of insurance set forth in T.C.A. §56—2—201 except credit life and credit accident and health.
- (4) “Retail Area” means all open space within the financial institution lobby containing, but not limited to, loan and discount transaction stations, savings stations, cash debit and credit stations and installment and finance payment stations.

*Authority:* T.C.A. §§56—6—127 and 56—8—113. *Administrative History:* Original chapter filed January 16, 1985; effective February 15, 1985.

**0780—1—51—.03 RELATIONSHIPS.**

- (1) No agent or insurer shall enter into any contract, lease or other arrangement with a financial institution which results in:
  - (a) any activity reasonably leading a person to believe that his credit-worthiness, or that extension of credit or renewal thereof, is conditioned upon the purchase of insurance through a particular agent or insurer; or

(Rule 0780—1—51—.03, continued)

- (b) the financial institution soliciting insurance business acting on behalf of an agent or insurer in the sale or negotiation of insurance or directing potential insureds to an agent or insurer.

*Authority:* T.C.A. §§56—6—127 and 56—8—113. *Administrative History:* Original chapter filed January 16, 1985; effective February 15, 1985.

**0780—1—51—.04 PHYSICAL FACILITIES.** Any arrangement between an agent or insurer and a financial institution pursuant to which the agent or insurer shares space in the retail area of the financial institution is subject to the following conditions:

- (1) All signs displayed in connection with the operation of the insurer, agent, or agency shall have no indication of any relationship with the financial institution. Further, there shall be no signs displayed in connection with the operation of the insurer, agent, or agency in the retail area of the financial institution, other than in the direct vicinity of the insurance sales area.
- (2) The space occupied by the agent or insurer must be situated and sufficiently segregated in the retail area of the financial institution to insulate customers of the financial institution who have applied for or obtained credit from express or implied intimidation or interference with the customers' free choice regarding the purchase of insurance. Accordingly, employees of the financial institution may not be positioned, in relation to the space occupied by the agent or insurer, so as to allow regular observance by financial institution customers transacting business within the space occupied by the agent or insurer. The layouts of bank lobbies will differ depending on the size of the institution. Therefore, different means may be necessary to effect sufficient separation in each lobby.

*Authority:* T.C.A. §§56—6—127 and 56—8—113. *Administrative History:* Original chapter filed January 16, 1985; effective February 15, 1985.

**0780—1—51—.05 ADVERTISING.**

- (1) No agent shall enter into any contract, lease or other arrangement under which a financial institution is authorized to advertise, promote or announce to its customers or the public in any fashion:
  - (a) The availability of insurance products through means of the financial institution's contract, lease or arrangement with the agent; or
  - (b) Information regarding such insurance products, including, without limitation, the names of insurance companies represented by the agent and premium rates.
- (2) Every contract, lease, or other arrangement under which an agent obtains space in the retail area of a financial institution shall contain a prohibition against the financial institution advertising, promoting, or announcing publicly in any fashion the availability of insurance products or any information regarding such insurance products, including, without limitations, the names of insurance companies represented by the agent and premium rates.
- (3) No advertising, promotional material or public announcement by an agent or insurance company shall contain:
  - (a) Any language or implication to the effect that the agent can provide or make available insurance products through a financial institution.

(Rule 0780—1—51—.04, continued)

- (b) Any use of the name of the financial institution other than strictly as an address referencing the location of the insurance agent or agency involved. Further, the use of the address should not be made in such a manner as to draw prominent attention to, or indicate any other relationship with the financial institution to the insurance product being advertised.

*Authority:* T.C.A. §§56—6—127 and 56—8—113. *Administrative History:* Original chapter filed January 16, 1985; effective February 15, 1985.

**0780—1—51—.06 SOLICITATION ACTIVITIES.** The selling or renting of customer lists or envelope space by a financial institution to an insurance agency tenant of such institution is prohibited unless it offers the same products and services upon the same terms to other insurance agents or agencies.

*Authority:* T.C.A. §§56—6—127 and 56—8—113, *Attorney General's Opinions to Rep. Dale Kelley on December 8, 1984 and Commissioner John C. Neff on August 13, 1984.* *Administrative History:* Original chapter filed January 16, 1985; effective February 15, 1985.