

56-14-105. Eligibility for surplus lines insurance. —

(a) No insurance coverage shall be eligible for surplus lines unless the full amount of insurance required is not procurable, after a diligent effort has been made to do so, from among the insurers licensed to transact and actually writing that kind and class of insurance in this state, and the amount of insurance eligible for surplus lines shall be only the amount in excess of the amount so procurable from licensed insurers.

(b) Policy or contract forms shall not be eligible unless the use is reasonably necessary for the principal purposes of the coverage, or unless the use would not be contrary to the purposes of the coverage, or unless the use would not be contrary to the purposes of this chapter with respect to the reasonable protection of authorized insurers from unwarranted competition by unauthorized insurers.

(c) The following kinds of insurance shall not be eligible for surplus lines insurance:

(1) Primary personal automobile liability;

(2) Surety; and

(3) Workers' compensation, except as provided in subsection (a).

[Acts 1969, ch. 270, § 5; T.C.A., § 56-3805; Acts 2001, ch. 220, §§ 2, 3.]