

**[Tenn. Code Ann. § 56-10-302.]**

§ 56-10-302. Acquisitions and dispositions: Merger, Consolidation and Exchange of Stock — Disclosures of Material Transactions

(a) No acquisitions or dispositions of assets need be reported pursuant to § 56-10-301 if the acquisitions or dispositions are not material. For purposes of this part, a material acquisition, or the aggregate of any series of related acquisitions during any thirty-day period, or disposition, or the aggregate of any series of related dispositions during a thirty-day period, is one that is non-recurring and not in the ordinary course of business and involves more than five percent (5%) of the reporting insurer's total admitted assets as reported in its most recent statutory statement filed with the insurance department of the insurer's state of domicile.

(b)

(1) Asset acquisitions subject to this part include every purchase, lease, exchange, merger, consolidation, succession or other acquisition other than the construction or development of real property by or for the reporting insurer or the acquisition of materials for such purpose.

(2) Asset dispositions subject to this part include every sale, lease, exchange, merger, consolidation, mortgage, hypothecation, assignment, whether for the benefit of creditors or otherwise, abandonment, destruction or other disposition.

(c)

(1) The following information is required to be disclosed in any report of a material acquisition or disposition of assets:

(A) Date of the transaction;

(B) Manner of acquisition or disposition;

(C) Description of the assets involved;

(D) Nature and amount of the consideration given or received;

(E) Purpose of, or reason for, the transaction;

(F) Manner by which the amount of consideration was determined;

(G) Gain or loss recognized or realized as a result of the transaction; and

(H) Name or names of the person or persons from whom the assets were acquired or to whom they were disposed.

(2) Insurers are required to report material acquisitions and dispositions on a non-consolidated basis unless the insurer is part of a consolidated group of insurers that utilizes a pooling arrangement or one hundred percent (100%) reinsurance agreement that affects the solvency and integrity of the insurer's reserves, and the insurer ceded substantially all of its direct and assumed business to the pool. An insurer is deemed to have ceded substantially all of its direct and assumed business to a pool if the insurer has less than one million dollars (\$1,000,000) total direct plus assumed written premiums during a calendar year that are not subject to a pooling arrangement, and the net income of the business not subject to the pooling arrangement represents less than five percent (5%) of the insurer's capital and surplus.