

Payments to claimant prior to trial; no construction as admission; award reduction

(a) In any action in which a person has made any payments to or on behalf of any claimant prior to trial, the payments shall not be construed as an admission of liability by the person in any action brought to recover for personal injuries or for damage to property.

(b) In the event, however, that the action results in a verdict in favor of the claimant, the defendant shall be allowed to introduce evidence of the payments and the court shall then reduce the amount awarded to the plaintiff by the amount of payments made prior to the date of judgment.

(c) No such payments made by any insurance company shall be construed to be in lieu of or in addition to any limits of liability of the insurance company under any policy of insurance, but the sums paid in advance shall be deemed to have been made pursuant to the limits of the policy and shall be credited to the insurer's obligation to the insured arising from the policy and shall be deducted from the insurer's obligation.

(d) The making of any advance payments shall not interrupt the running of the statute of limitations on any claim.

T. C. A. § 56-7-131