

The House Committee on Judiciary offers the following substitute to HB 991:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 33-9-21 of the Official Code of Georgia Annotated, relating to
2 insurers' maintenance and filing of rates, rating plans and systems, and certain other
3 materials with the Commissioner of Insurance, so as to provide that the Commissioner shall
4 require liability insurers to make certain rate filings; to provide that liability insurers shall be
5 prohibited from maintaining certain excess loss reserves under certain circumstances; to
6 provide for enforcement; to provide for related matters; to repeal conflicting laws; and for
7 other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Code Section 33-9-21 of the Official Code of Georgia Annotated, relating to insurers'
11 maintenance and filing of rates, rating plans and systems, and certain other materials with the
12 Commissioner of Insurance, is amended by striking paragraph (2) of subsection (a) and
13 inserting in its place a new paragraph to read as follows:

14 "(2) Shall require, not later than July 30, 1990, each domestic, foreign, and alien insurer,
15 writing or authorized to write workers' compensation insurance in this state, to file such
16 insurer's own individual rate filing for premium rates to be charged for workers'
17 compensation insurance coverage written in this state; and shall require, not later than
18 January 1, 2003, each domestic, foreign, and alien insurer, writing or authorized to write
19 any form of liability insurance, as defined by Code Section 33-7-3, in this state, to file with
20 the Commissioner and with the consumers' insurance advocate in the Governor's Office
21 of Consumer Affairs such insurer's own individual rate filing for premium rates to be
22 charged for liability insurance coverage written in this state. Such premium rates shall be
23 developed and established based upon each individual insurer's experience in the State of
24 Georgia to the extent actuarially credible. The experience filed shall include the loss ratios,
25 reserves, reserve development information, expenses including commissions paid and
26 dividends paid, investment income, pure premium data adjusted for loss development and

1 loss trending, profits, and all other data and information used by that insurer in formulating
2 its workers' compensation or liability premium rates which are used in this state and any
3 other information or data required by the Commissioner. In establishing and maintaining
4 loss reserves, no workers' compensation or liability insurer shall be allowed to maintain
5 any excess loss reserve for any claim or potential claim for more than 90 days after the
6 amount of liability for such claim or potential claim has been established, whether by final
7 judgment, by settlement agreement, or otherwise. This limitation on the maintenance of
8 loss reserves shall be enforced through this Code section, as well as through Code Section
9 33-9-23, relating to examination of insurers, Code Section 34-9-135, relating to required
10 disclosure of costs by workers' compensation insurers, and any other appropriate
11 enforcement procedures. The Commissioner is authorized to accept such rate classifications
12 as are reasonable and necessary for compliance with this chapter. A rate filing required by
13 this paragraph shall be updated by the insurer at least once every two years, ~~the initial~~
14 ~~two-year period to be calculated from July 30, 1990; and"~~

15 SECTION 2.

16 All laws and parts of laws in conflict with this Act are repealed.