

House Bill 992

By: Representative Lord of the 121st

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 33 of the Official Code of Georgia Annotated, relating to
2 general provisions concerning insurance, so as to make legislative findings; to provide that
3 insurers subject to the filing provisions of Chapter 9 of Title 33 shall file the commission
4 percentage as a separate expense item; to provide for related matters; to provide penalties;
5 to prohibit violators from writing insurance under the affected filing for a certain period of
6 time; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 1 of Title 33 of the Official Code of Georgia Annotated, relating to general
10 provisions concerning insurance, is amended by adding a new Code Section 33-1-19 to read
11 as follows:

12 "33-1-19.

13 (a) The General Assembly recognizes that an insurer and an agent are free to contract with
14 each other concerning matters involving lines of insurance that may be placed with such
15 insurer by the agent. The General Assembly further recognizes that it is the right of the
16 insurer to set the commission percentages that will be payable to such agent for the line or
17 lines of insurance to be written or to negotiate with the agent for such percentages without
18 interference by the Commissioner or the General Assembly.

19 (b) All insurers subject to the filing provisions of Chapter 9 of this title shall clearly
20 indicate the commission percentage to be paid as a separate expense item. No insurer shall
21 alter such commission percentage after such filing until such time as a new filing has been
22 properly filed with the Commissioner. The Commissioner shall modify the required forms
23 so that each filing will comply with this Code section.

24 (c) Any insurer who violates this Code section shall be subject to the fines and penalties
25 under Chapter 6 of this title. For the purposes of this Code section, the reduction of

1 commission percentage paid to each agent affected by such reduction shall be deemed to
2 be a separate act or violation.

3 (d) In addition to the provisions of subsection (c) of this Code section, any insurer that
4 violates this Code section shall be prohibited from writing any new business under the
5 affected filing for a period of not less than 90 nor more than 180 days."

6 **SECTION 2.**

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