

House Bill 1076

By: Representative Harbin of the 80th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 41 of Title 33 of the Official Code of Georgia Annotated, relating to
2 captive insurance companies, so as to require captive insurance companies issuing workers'
3 compensation insurance contracts to file certain matters with the Commissioner of Insurance;
4 to provide that such companies obtain the approval of the Commissioner for certain rates,
5 forms, fees, assessments, and surplus contributions; to authorize and require the participation
6 in the Georgia Insurers Insolvency Pool for captive insurance companies issuing workers'
7 compensation insurance contracts for workers' compensation only; to provide for related
8 matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Chapter 41 of Title 33 of the Official Code of Georgia Annotated, relating to captive
12 insurance companies, is amended by striking Code Section 33-41-19, relating to rates,
13 underwriting rules, and policy forms, and inserting a new Code Section 33-41-19 to read as
14 follows:

15 "33-41-19.

16 (a) ~~No captive insurance company shall be required to join or use the rates, rating systems,~~
17 ~~underwriting rules, or policy or bond forms of a rating or advisory organization as defined~~
18 ~~in Code Section 33-9-2~~ No captive insurance company other than a captive insurance
19 company issuing workers' compensation insurance contracts shall be required to file its
20 premium rates or policy forms with, or seek approval of such rates or forms from, the
21 Commissioner or any other authority of this state. Every captive insurance company
22 issuing workers' compensation insurance contracts shall obtain prior approval of the
23 Commissioner for any rates, rating plans, rating rules, underwriting rules, and policy forms
24 to be used by the company for workers' compensation insurance contracts. Filings shall
25 include all supporting data to justify the proposed rates or rating plans. The Commissioner

1 may require an actuarial opinion that the proposed rates are adequate, not excessive, nor
 2 unfairly discriminatory.

3 ~~(b) No captive insurance company shall be required to file its premium rates or policy~~
 4 ~~forms with, or seek approval of such rates or forms from, the Commissioner or any other~~
 5 ~~authority of this state~~ In addition to the requirements of subsection (a) of this Code section,
 6 each captive insurance company issuing workers' compensation insurance contracts shall
 7 obtain prior approval for any fee, assessment, or surplus contribution required of any
 8 member. Filings shall include the method used to determine any such fee, assessment, or
 9 surplus contribution.

10 (c) Every captive insurance company having workers' compensation insurance contracts
 11 in force as of July 1, 2004, shall make the filings required by subsections (a) and (b) of this
 12 Code section by August 31, 2004. The Commissioner may suspend the certificate of
 13 authority of any captive insurance company that does not have its workers' compensation
 14 rates and forms approved by December 31, 2004.

15 (d) Each captive insurance company shall provide the following notice in ten-point type
 16 on the front page and declaration page on all policies and on the front page of all
 17 applications for policies, unless such policy is a workers' compensation policy:

18 "This captive insurance company is not subject to all of the insurance laws and regulations
 19 of the State of Georgia. State insurers insolvency guaranty funds are not available to the
 20 policyholders of this captive insurance company."

21 SECTION 2.

22 Said chapter is further amended by striking paragraph (1) of subsection (a) of Code Section
 23 33-41-20, relating to exclusion from insolvency funds, and inserting in lieu thereof a new
 24 paragraph (1) to read as follows:

25 "(a)(1) No captive insurance company other than a captive insurance company issuing
 26 workers' compensation insurance contracts shall be permitted to join or contribute
 27 financially to the Georgia Insurers Insolvency Pool under Chapter 36 of this title or any
 28 other plan, pool, or association guaranty or insolvency fund in this state nor shall any
 29 captive insurance company, or its insureds or claimants against its insureds, nor its parent
 30 or any affiliated company receive any benefit from the Georgia Insurers Insolvency Pool
 31 or any other plan, pool, or association guaranty or insolvency fund for claims arising out
 32 of the operations of such captive insurance company."

SECTION 3.

Said chapter is further amended by adding a new Code Section 33-41-20.1 to read as follows:

"33-41-20.1.

(a) On and after January 1, 2005, every captive insurance company issuing workers' compensation insurance contracts shall become a member of the Georgia Insurers Insolvency Pool under Chapter 36 of this title as to workers' compensation only. Such captive insurance companies shall be liable for assessments pursuant to Code Section 33-36-7 and for all other obligations imposed pursuant to Chapter 36 of this title as to workers' compensation only.

(b) The Georgia Insurers Insolvency Pool shall not be liable for any claims incurred by any captive insurance company before January 1, 2005."

SECTION 4.

This Act shall become effective on July 1, 2004.

SECTION 5.

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