

House Bill 1403

By: Representatives Bordeaux of the 125th, Porter of the 119th, Parrish of the 102nd, Morris of the 120th, Stokes of the 72nd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to
2 regulation of rates, underwriting rules, and related organizations with regard to insurance,
3 so as to prohibit the retention of excess loss reserves under certain circumstances; to provide
4 a definition; to provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to regulation of
8 rates, underwriting rules, and related organizations with regard to insurance, is amended by
9 adding a new Code Section 33-9-21.3 to read as follows:

10 "33-9-21.3.

11 (a) As used in this Code section, the term 'excess loss reserve' means any reserve amount
12 in excess of the reserve required by law.

13 (b) In establishing and maintaining loss reserves, no domestic, foreign, and alien insurer
14 writing or authorized to write medical malpractice insurance in this state shall be allowed
15 to maintain any excess loss reserve for any claim or potential claim for more than 90 days
16 after the amount of liability for such claim or potential claim has been established, whether
17 by final judgment, settlement agreement, or otherwise. This limitation on the maintenance
18 of loss reserves shall be enforced through this Code section as well as through Code
19 Section 33-9-23, relating to examination of insurers."

20 **SECTION 2.**

21 All laws and parts of laws in conflict with this Act are repealed.