

House Bill 427

By: Representatives Harbin of the 118th, Keen of the 179th, and Ehrhart of the 36th

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, so as to provide that certain
3 rates with regard to private passenger motor vehicle insurance may go into effect without the
4 necessity of approval by the Commissioner of Insurance; to provide for procedures for such
5 filings; to provide for notice and hearing in the case of filings that are not in compliance; to
6 provide for other filings; to provide for the contents of filings; to provide for related matters;
7 to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to regulation of
11 rates, underwriting rules, and related organizations, is amended by adding a new subsection
12 (h) to Code Section 33-9-21, relating to maintenance and filing of rates, rating plans, rating
13 systems, or underwriting rules, to read as follows:

14 "(h)(1) This subsection shall only apply to personal private passenger motor vehicle
15 insurance as described in subsection (b) of this Code section. This subsection does not
16 apply to advisory organizations or to any impaired or insolvent insurer operating under
17 a rehabilitation plan, an order of supervision, or an impaired financial condition as
18 determined by the Commissioner.

19 (2) Notwithstanding the requirements of subsection (b) of this Code section, a filing
20 made by an insurer that provides for an overall state-wide rate increase or decrease may
21 take effect without prior approval if the rate level change is not greater than 5 percent.
22 The rate level change for any individual insured may not be increased more than 9.99
23 percent.

24 (3) An insurer may make multiple rate filings under this subsection during any 12 month
25 period, provided that the cumulative rate level change is within the limitation specified
26 in paragraph (2) of this subsection. For an insurer adopting a rating organization

1 prospective loss cost filing, the cumulative rate level change includes both the rating
2 organization prospective loss change as well as the insurer's loss cost adjustment change.

3 (4) Notwithstanding any other provision of law to the contrary, for any policies governed
4 by this subsection, a filing that produces a rate level change within the limitations
5 provided in paragraph (2) of this subsection shall become effective without prior approval
6 and may take effect on the date specified in the filing but not earlier than the date it is
7 received by the department. No rate level change within the limitation specified in
8 paragraph (2) of this subsection may be implemented until the onset of a new policy
9 period.

10 (5) A filing submitted pursuant to paragraph (2) of this subsection must include an
11 exhibit showing the calculation of the overall rate level change and an exhibit showing
12 the insurer's expense provisions. An insurer submitting a loss cost adjustment filing must
13 include supporting information showing how the loss cost adjustment is calculated. The
14 Commissioner may request additional supporting information if the Commissioner does
15 not have enough information upon which to determine if the filing meets the
16 requirements of this chapter.

17 (6) A filing submitted pursuant to paragraph (2) of this subsection shall be considered
18 to comply with state law. However, if, within 30 days following receipt of the filing, the
19 Commissioner determines that it does not meet the requirements of this title, the
20 Commissioner shall, after a hearing held upon not less than ten days' written notice,
21 given to each insurer that made the filing and specifying the matters to be considered at
22 the hearing, issue an order specifying in detail the provisions of this title that the insurer
23 has violated and the reasons the filing is not in compliance. The order shall state a
24 reasonable future date on which the filing is to be considered no longer effective. An
25 order by the Commissioner pursuant to this paragraph shall be prospective and shall not
26 affect any contract issued or made before the effective date of the order.

27 (7) An insurer's rate level increase or decrease filing falling outside of the limitation
28 provided in paragraph (2) of this subsection shall be subject to review and approval as
29 provided in subsection (b) of this Code section.

30 (8) During any 12 month period, an insurer shall be allowed to make additional filings
31 subject to review and approval pursuant to subsection (b) of this Code section."

32 SECTION 2.

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