

Senate Bill 225

By: Senators Hudgens of the 47th, Harp of the 29th, Moody of the 56th, Rogers of the 21st and Goggans of the 7th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 10 of Title 33 of the Official Code of Georgia Annotated, relating to
2 assets and liabilities of insurers, so as to repeal certain provisions relating to loss reserves and
3 liability insurance and workers' compensation; to provide an effective date; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 Chapter 10 of Title 33 of the Official Code of Georgia Annotated, relating to assets and
8 liabilities of insurers, is amended by striking Code Section 33-10-9, relating to loss reserves
9 and liability insurance and workers' compensation, and inserting in its place the following:
10 "33-10-9.

11 ~~The reserve for outstanding losses under insurance against loss or damage from accident~~
12 ~~to or injuries suffered by an employee or other person and for which the insured is liable~~
13 ~~shall be computed as follows:~~

14 ~~(1) For all liability insurance actions being defended under policies written more than:~~
15 ~~(A) Ten years prior to the date as of which the statement is made, \$1,500.00 for each~~
16 ~~action;~~

17 ~~(B) Five or more and less than ten years prior to the date as of which the statement is~~
18 ~~made, \$1,000.00 for each action; or~~

19 ~~(C) Three or more and less than five years prior to the date as of which the statement~~
20 ~~is made, \$850.00 for each action;~~

21 ~~(2) For all liability policies written during the three years immediately preceding the date~~
22 ~~as of which the statement is made, the reserve shall be 60 percent of the earned liability~~
23 ~~premiums of each of such three years less all losses and expense payments made under~~
24 ~~liability policies written in the corresponding years; but, in any event, the reserve shall~~
25 ~~for the first of the three years be not less than \$750.00 for each outstanding liability~~
26 ~~action on the year's policies;~~

1 ~~(3) For all workers' compensation claims under policies written more than three years~~
2 ~~prior to the date as of which the statement is made, the reserve shall be the present value~~
3 ~~at 4 percent interest of the determined and the estimated future payments; or~~

4 ~~(4) For all workers' compensation claims under policies written in the three years~~
5 ~~immediately preceding the date as of which the statement is made, the reserve shall be~~
6 ~~65 percent of the earned compensation premiums of each of the three years, less all loss~~
7 ~~and loss expense payments made in connection with the claims under policies written in~~
8 ~~the corresponding years. But in any event in the case of the first year of any three-year~~
9 ~~period, the reserve shall be not less than the present value at 4 percent interest of the~~
10 ~~determined and the estimated unpaid compensation claims under policies written during~~
11 ~~the year. Reserved."~~

12 **SECTION 2.**

13 This Act shall become effective upon its approval by the Governor or upon its becoming law
14 without such approval.

15 **SECTION 3.**

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