

Senate Bill 509

By: Senator Shafer of the 48th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to  
2 provide a short title; to provide for the determination by the Commissioner that the insurance  
3 market in this state is not functioning in a competitive manner; to provide for certain notice;  
4 to provide for certain filings regarding accident and sickness insurance following such notice;  
5 to require the Commissioner to approve certain filings and rate increases; to provide for  
6 applicability; to provide for rules and regulations concerning such filings; to provide for  
7 related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 This Act shall be known and may be cited as the "Health Insurance Competition and Rate  
11 Relief Act of 2006."

12 **SECTION 2.**

13 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
14 designating the existing matter in Chapter 29, relating to individual accident and sickness  
15 insurance, as Article 1 and inserting thereafter a new Article 2 to read as follows:

16 "ARTICLE 2

17 33-29-40.

18 (a) If the market for individual accident and sickness insurance in the State of Georgia is  
19 such that the combined market share of the total accident and sickness premium written in  
20 Georgia for any immediately preceding calendar year by the four largest insurers sums to  
21 75 percent or more of the market, the Commissioner is thereby authorized to make a  
22 determination that the market is not functioning in an efficient, competitive manner. If the  
23 Commissioner makes a determination that the market is not functioning in a competitive

1 manner, he or she shall notify all insurers operating in the individual health insurance  
2 market in the state of the requirements of this article relating to the filing and review of  
3 individual accident and sickness premium rates for certain lines of business.

4 (b) Upon the Commissioner making a determination that the market is not functioning in  
5 a competitive manner and giving the notice as provided in subsection (a) of this Code  
6 section, every initial filing of an individual, guaranteed renewable comprehensive accident  
7 and sickness policy by insurers authorized to transact individual accident and sickness  
8 insurance under any chapter of this title shall be accompanied by a rate filing, with  
9 supporting actuarial certification and demonstration by a qualified actuary. Any  
10 subsequent addition to or change in rates applicable to the policy, rider, or endorsement  
11 shall also be required to be filed with the Commissioner for prior approval of any increase  
12 in premium rate. As used in this Code section, the term 'comprehensive' means coverage  
13 that qualifies as creditable coverage under the federal Health Insurance Portability and  
14 Accountability Act of 1996, P.L. 104-191, because it is not of limited benefit or limited  
15 duration, is not for specified disease, is not for long-term care, and is not a medicare  
16 supplement.

17 (c) The provisions of this Code section are not intended and shall not be construed to  
18 operate to change any other existing law or related rule or regulation of the department  
19 affecting specific types of coverage described elsewhere in this title, including, but not  
20 necessarily limited to, health maintenance organization coverage under Chapter 21 of this  
21 title, long-term care coverage under Chapter 42 of this title, medicare supplement coverage  
22 under Chapter 43 of this title, credit accident and sickness coverage under Chapter 31 of  
23 this title, and enhanced conversion under Code Section 33-24-21.1.

24 33-29-41.

25 After providing the required notice and public hearing under Chapter 2 of this title, the  
26 Commissioner is authorized to promulgate and administer rules and regulations to  
27 implement the provisions of this article. Such rules and regulations shall:

- 28 (1) Establish clear standards and relevant applicability among specific individual  
29 accident and sickness product lines;
- 30 (2) Establish practical filing guidelines and required formats for insurers to submit filings  
31 of proposed initial and renewal premium rates in compliance with this article; and
- 32 (3) Establish limits, as appropriate in the opinion of the Commissioner after public  
33 hearing, on the maximum year-to-year percentage increase in premiums which may be  
34 imposed on Georgia individual accident and sickness policyholders for applicable product  
35 lines."

- 1 **SECTION 3.**
- 2 All laws and parts of laws in conflict with this Act are repealed.