

House Bill 1517

By: Representative Knox of the 24th

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 promote the general fitness of the accident and sickness insurance market in this state; to
3 authorize the Commissioner of Insurance to reduce, limit, modify, or exempt certain
4 regulatory filing requirements; to provide for the determination by the Commissioner that the
5 insurance market in this state is not functioning in a competitive manner; to provide for
6 certain notice; to provide for certain filings regarding accident and sickness insurance
7 following such notice; to require the Commissioner to approve certain filings and rate
8 increases; to provide for applicability; to provide for rules and regulations concerning such
9 filings; to provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
13 striking subsection (f) of Code Section 33-9-21, relating to maintenance and filing rates,
14 rating plans, rating systems, or underwriting rules, and inserting in lieu thereof a new
15 subsection (f) to read as follows:

16 ~~"(f) Notwithstanding the provisions of subsection (d) of this Code section, in the event the~~
17 ~~filing of any rate, rating plan, rating system, or underwriting rule under subsection (d) of~~
18 ~~this Code section is not necessary, in the judgment of the Commissioner, to accomplish the~~
19 ~~purposes of this chapter as set forth in Code Section 33-9-1, then the Commissioner may~~
20 ~~exempt all domestic, foreign, and alien insurers from being required to file such rate, rating~~
21 ~~plan, rating system, or underwriting rule~~ To promote competition among insurers, reduce
22 barriers to product availability, and reduce costs of insurance products attendant with
23 highly regulated filing requirements while maintaining consumer protection and rates that
24 are not unreasonable, inequitable, or unfair, the Commissioner may, by published order,
25 directive, or bulletin, as in his or her discretion is appropriate, by line of business within
26 this chapter:

1 (1) Exempt one or more of the filing requirements of this chapter;

2 (2) Limit the practical application of the filing requirements of this chapter; or

3 (3) Modify one or more filing or documentation requirements of this chapter

4 for so long as he or she deems proper, including documents, forms, supporting papers,

5 exhibits, or other materials that, in the Commissioner's discretion, are not necessary or

6 appropriate for the protection of the public."

7 **SECTION 2.**

8 Said title is further amended by designating the existing matter in Chapter 29, relating to

9 individual accident and sickness insurance, as Article 1 and inserting thereafter a new

10 Article 2 to read as follows:

11 "ARTICLE 2

12 33-29-40.

13 (a) The Commissioner has a duty to promote the general fitness of the accident and
 14 sickness insurance market. If the market for individual accident and sickness insurance in
 15 the State of Georgia is such that the combined market share of the total accident and
 16 sickness premium written in Georgia for any immediately preceding calendar year by the
 17 four largest insurers sums to 75 percent or more of the market, the Commissioner is thereby
 18 authorized, until such time as the combined market share of the total accident and sickness
 19 premium written in Georgia for any immediately preceding calendar year by the four
 20 largest insurers sums to less than 75 percent of the market, to make a determination that the
 21 market is not functioning in an efficient, competitive manner. If the Commissioner makes
 22 a determination that the market is not functioning in a competitive manner, he or she shall
 23 notify all insurers operating in the individual health insurance market in the state of the
 24 requirements of this article relating to the filing and review of individual accident and
 25 sickness premium rates for certain lines of business.

26 (b) Upon the Commissioner making a determination that the market is not functioning in
 27 a competitive manner and giving the notice as provided in subsection (a) of this Code
 28 section, every initial filing of an individual, guaranteed renewable comprehensive accident
 29 and sickness policy by insurers authorized to transact individual accident and sickness
 30 insurance under any chapter of this title shall be accompanied by a rate filing, with
 31 supporting actuarial certification and demonstration by a qualified actuary. Any
 32 subsequent addition to or change in rates applicable to the policy, rider, or endorsement
 33 shall also be required to be filed with the Commissioner for prior approval of any increase
 34 in premium rate. As used in this Code section, the term 'comprehensive' means coverage

1 that qualifies as creditable coverage under the federal Health Insurance Portability and
2 Accountability Act of 1996, P.L. 104-191, because it is not of limited benefit or limited
3 duration, is not for specified disease, is not for long-term care, and is not a medicare
4 supplement.

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

12 33-29-41.

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

16 (1) Establish clear standards and relevant applicability among specific individual
17 accident and sickness product lines;

18 (2) Establish practical filing guidelines and required formats for insurers to submit filings
19 of proposed initial and renewal premium rates in compliance with this article; and

20 (3) Establish limits, as appropriate in the opinion of the Commissioner after public
21 hearing, on the maximum year-to-year percentage increase in premiums which may be
22 imposed on Georgia individual accident and sickness policyholders for applicable product
23 lines."

24 **SECTION 3.**

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