

The House Committee on Insurance offers the following substitute to HB 408:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 41 of Title 33 of the Official Code of Georgia Annotated, relating to
2 captive insurance companies, so as to provide that every association and industrial insured
3 captive insurance company issuing workers' compensation insurance contracts shall be
4 permitted to join and receive benefits from the Georgia Insurers Insolvency Pool; to provide
5 for an effective date; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 41 of Title 33 of the Official Code of Georgia Annotated, relating to captive
9 insurance companies, is amended by revising subsection (a) of Code Section 33-41-20,
10 relating to exclusion from insolvency funds, as follows:

11 "(a)(1) No captive insurance company other than an association or industrial insured
12 captive insurance company issuing workers' compensation insurance contracts shall be
13 permitted to join or contribute financially to the Georgia Insurers Insolvency Pool under
14 Chapter 36 of this title or any other plan, pool, or association guaranty or insolvency fund
15 in this state ~~nor shall any~~. Other than an association or industrial insured captive
16 insurance company issuing workers' compensation insurance contracts, no captive
17 insurance company, or its insureds or claimants against its insureds, nor its parent or any
18 affiliated company shall receive any benefit from the Georgia Insurers Insolvency Pool
19 or any other plan, pool, or association guaranty or insolvency fund for claims arising out
20 of the operations of such captive insurance company.

21 (2) No captive insurance company shall be required to participate in any FAIR Plan
22 established and maintained in this state under Chapter 33 of this title.

23 (3) No captive insurance company shall be required to participate in any joint
24 underwriting association established and maintained in this state under Chapter 9 of this
25 title."

SECTION 2.

Said chapter is further amended by adding a new Code section to read as follows:

"33-41-20.1.

(a) On and after January 1, 2008, every association and industrial insured captive insurance company issuing workers' compensation insurance contracts shall become a member of the Georgia Insurers Insolvency Pool under Chapter 36 of this title as to workers' compensation only. Such captive insurance companies shall be liable for assessments pursuant to Code Section 33-36-7 and for all other obligations imposed pursuant to Chapter 36 of this title as to workers' compensation only.

(b) The Georgia Insurers Insolvency Pool shall not be liable for any claims incurred by any captive insurance company before January 1, 2008."

SECTION 3.

This Act shall become effective on January 1, 2008.

SECTION 4.

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