

Senate Bill 76

By: Senator Hudgens of the 47th

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to
2 workers' compensation, so as to repeal Code Section 34-9-135; to amend Chapter 9 of Title
3 33 of the Official Code of Georgia Annotated, relating to regulation of insurance rates, so as
4 to remove certain references; to provide for related matters; to repeal conflicting laws; and
5 for other purposes.

SECTION 1.

6 Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to workers'
7 compensation, is amended by revising Code Section 34-9-135, relating to disclosure of costs
8 by insurer, as follows:

10 "34-9-135.

11 ~~(a) Each workers' compensation insurer shall disclose on or before March 1 of each year~~
12 ~~its costs, as provided in subsection (c) of this Code section, for the preceding calendar year.~~

13 ~~(b) The disclosure required by this Code section shall be in the form prescribed by the~~
14 ~~Commissioner of Insurance and shall be filed with the Commissioner of Insurance.~~

15 ~~(c) The disclosure required by this Code section shall include at a minimum the workers'~~
16 ~~compensation insurer's total underwriting costs, administrative costs, legal defense costs,~~
17 ~~reserves, payments from reserves for claims, payments to the insurer from reserves,~~
18 ~~payments for medical benefits on behalf of employees pursuant to this chapter, payments~~
19 ~~for rehabilitation benefits on behalf of employees pursuant to this chapter, payments for~~
20 ~~weekly benefits to employees pursuant to this chapter, lump sum payments made to~~
21 ~~employees pursuant to this chapter, and payments to employees' attorneys made pursuant~~
22 ~~to this chapter, and the amounts of any taxes, fees, or assessments required by law.~~

23 Reserved.

SECTION 2.

24 Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to regulation of
25 insurance rates, is amended by revising paragraph (2) of subsection (a) in Code Section
26

27 33-9-21, relating to maintenance and filing of insurance rates, rating plans, rating systems,
 28 or underwriting rules and examination of claim reserve practices by the Commissioner of
 29 Insurance, as follows:

30 "(2) Shall require, not later than July 30, 1990, each domestic, foreign, and alien insurer,
 31 writing or authorized to write workers' compensation insurance in this state, to file such
 32 insurer's own individual rate filing for premium rates to be charged for workers'
 33 compensation insurance coverage written in this state. Such premium rates shall be
 34 developed and established based upon each individual insurer's experience in the State
 35 of Georgia to the extent actuarially credible. The experience filed shall include the loss
 36 ratios, reserves, reserve development information, expenses, including commissions paid
 37 and dividends paid, investment income, pure premium data adjusted for loss development
 38 and loss trending, profits, and all other data and information used by that insurer in
 39 formulating its workers' compensation premium rates which are used in this state and any
 40 other information or data required by the Commissioner. In establishing and maintaining
 41 loss reserves, no workers' compensation insurer shall be allowed to maintain any excess
 42 loss reserve for any claim or potential claim for more than 90 days after the amount of
 43 liability for such claim or potential claim has been established, whether by final
 44 judgment, by settlement agreement, or otherwise. This limitation on the maintenance of
 45 loss reserves shall be enforced through this Code section, as well as through Code Section
 46 33-9-23, relating to examination of insurers, ~~Code Section 34-9-135, relating to required~~
 47 ~~disclosure of costs by workers' compensation insurers~~, and any other appropriate
 48 enforcement procedures. The Commissioner is authorized to accept such rate
 49 classifications as are reasonable and necessary for compliance with this chapter. A rate
 50 filing required by this paragraph shall be updated by the insurer at least once every two
 51 years, the initial two-year period to be calculated from July 30, 1990; and"

52

SECTION 3.

53 Said chapter is further amended by revising subsection (b) of Code Section 33-9-40.1,
 54 relating to rates of workers' compensation policies issued to business entities with majority
 55 interest held by the same person, limitations on maintenance of reserves, and investigations
 56 of complaints, as follows:

57 "(b) For experience rating purposes, no workers' compensation insurer shall maintain any
 58 case reserve for any claim in excess of the amount established by final judgment, by
 59 settlement, or otherwise. All reductions in case reserves shall be made and reported to the
 60 appropriate rating organization within 90 days. Any further adjustments upward in the case
 61 reserve ~~may~~ shall only be made due to additional paid claims or a case reserve established
 62 on a claim which was previously closed but reopened due to a claimant's request for

63 additional benefits. This limitation on the maintenance of reserves shall be enforced
64 through this Code section, as well as through Code Section 33-9-21, relating to rate filings,
65 Code Section 33-9-23, relating to examination of insurers, ~~Code Section 34-9-135, relating~~
66 ~~to required disclosure of costs by workers' compensation insurers,~~ and any other
67 appropriate enforcement procedures."

68 **SECTION 4.**

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