

The Senate Insurance and Labor Committee offered the following substitute to SB 144:

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 repeal the requirement that an applicant for an insurance agent's license shall be appointed  
3 an agent by an authorized insurer prior to issuance of the license; to prohibit a licensed  
4 managing general agent from charging a fully earned policy fee in connection with the  
5 issuance of an insurance policy unless such fee is part of the insurer's rate filing; to provide  
6 for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

8 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
9 revising subsection (a) of Code Section 33-23-5, relating to qualifications and requirements  
10 for license, as follows:  
11

12 "(a) For the protection of the people of this state, the Commissioner shall not issue,  
13 continue, or permit to exist any license, except in compliance with this chapter and except  
14 as provided in Code Sections 33-23-3, 33-23-4, 33-23-12, 33-23-13, 33-23-14, 33-23-16,  
15 33-23-17, 33-23-29, 33-23-29.1, and 33-23-37. The Commissioner shall not issue a license  
16 to any individual applicant for a license who does not meet or conform to qualifications or  
17 requirements set forth in paragraphs (1) through ~~(8)~~ (7) of this subsection:

18 (1) The individual applicant shall be a resident of this state who shall reside and be  
19 present within this state for at least six months of every year or an individual whose  
20 principal place of business is within this state; provided, however, that in cities, towns,  
21 or trade areas, either unincorporated or composed of two or more incorporated cities or  
22 towns, located partly within and partly outside this state, requirements as to residence and  
23 principal place of business shall be deemed met if the residence or place of business is  
24 located in any part of the city, town, or trade area and if the other state in which the city,  
25 town, or trade area is located in part has established like requirements as to residence and

26 place of business. The individual applying for an agent, adjuster, or counselor license  
27 shall be at least 18 years of age;

28 (2) If applying for an agent's license for property and casualty insurance, the applicant  
29 shall not use or intend to use such license for the purpose of obtaining a rebate or  
30 commission upon controlled business; and the applicant shall not in any calendar year  
31 effect controlled business that will aggregate as much as 25 percent of the volume of  
32 insurance effected by such applicant during such year, as measured by the comparative  
33 amounts of premiums;

34 ~~(3) If applying for an agent's license, the applicant shall be appointed an agent by an~~  
35 ~~authorized insurer prior to issuance of the license;~~

36 ~~(4)~~(3) The individual applicant shall be of good character;

37 ~~(5)~~(4) The individual applicant shall pass any written examination required for the  
38 license by this article, provided that:

39 (A) An individual who applies for an insurance agent's license in this state who was  
40 previously licensed for the same lines of authority in another state shall not be required  
41 to complete any prelicensing education or examination. This exemption shall only be  
42 available if the individual is currently licensed in that state or if the application is  
43 received within 90 days of the cancellation of the applicant's previous license and if the  
44 prior state issues a certification that, at the time of cancellation, the applicant was in  
45 good standing in that state or the state's producer data base records maintained by the  
46 National Association of Insurance Commissioners, its affiliates, or subsidiaries indicate  
47 that the agent is or was licensed in good standing for the line of authority requested; and

48 (B) An individual licensed as an insurance agent in another state who moves to this  
49 state shall make application within 90 days of establishing legal residence to become  
50 a resident licensee pursuant to Code Section 33-23-8. No prelicensing education or  
51 examination shall be required of that individual to obtain a license for any line of  
52 authority previously held in the prior state except where the Commissioner determines  
53 otherwise by rule or regulation;

54 ~~(6)~~(5) If applying for a license as counselor, the applicant shall show that he or she either  
55 has had five years' experience as an agent, subagent, or adjuster or in some other phase  
56 of the insurance business or has sufficient teaching or educational qualifications or  
57 experience which, in the opinion of the Commissioner, has qualified the applicant to act  
58 as such counselor; and the applicant shall pass such examination as shall be required by  
59 the Commissioner unless such applicant is exempted by the Commissioner, based on the  
60 applicant's experience and qualifications and pursuant to a regulation adopted by the  
61 Commissioner;

62 ~~(7)~~(6) If applying for an agent's license, limited subagent's license, or adjuster's license,  
63 no applicant shall be qualified therefor or be so licensed unless he or she has successfully  
64 completed classroom courses in insurance satisfactory to the Commissioner at a school  
65 which has been approved by the Commissioner; and  
66 ~~(8)~~(7) The Commissioner shall by rule or regulation establish criteria and procedures for  
67 the scope of prelicensing requirements and exemptions, if any, to the prelicensing or  
68 examination requirements."

69 **SECTION 2.**

70 Said title is further amended in Chapter 47, relating to managing general agents, by adding  
71 a new Code section to read as follows:

72 "33-47-4.1.

73 No licensed managing general agent may charge a fully earned policy fee in connection  
74 with the issuance of an insurance policy unless such fee shall be a component of the  
75 insurer's rate filing. No fully earned policy fee may exceed \$25.00."

76 **SECTION 3.**

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