

House Bill 656

By: Representatives Barnard of the 166th and Lane of the 158th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 34 of Title 33 of the Official Code of Georgia Annotated, relating to
2 motor vehicle accident reparations, so as to provide that a religious organization that meets
3 certain requirements may qualify as a self-insurer; to provide additional qualifications; to
4 provide for forms of acceptable minimum security; to provide for cancellation of the
5 certificate; to provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 34 of Title 33 of the Official Code of Georgia Annotated, relating to motor vehicle
9 accident reparations, is amended by revising Code Section 33-34-5.1, relating to
10 self-insurers, as follows:

11 "33-34-5.1.

12 (a)(1) Except as otherwise provided in paragraphs (2) and (3) of this subsection, any
13 person in whose name one or more vehicles are registered in this state may qualify as a
14 self-insurer by obtaining a certificate of self-insurance from the Commissioner of
15 Insurance. The Commissioner of Insurance may, in his or her discretion, upon the
16 application of such person, issue such a certificate when he or she is satisfied that such
17 person has and will continue to have the ability to provide coverages, benefits, and
18 claims-handling procedures substantially equivalent to those afforded by a policy of
19 vehicle insurance in compliance with ~~Chapter 34 of Title 33~~ this chapter.

20 (2) Except as otherwise provided in paragraph (3) of this subsection with regard to
21 taxicabs, any person who operates one or more vehicles for hire which transport
22 passengers and in whose name a certificate of title has been issued pursuant to Chapter 3
23 of this title on one or more such vehicles may qualify as a self-insurer by obtaining a
24 certificate of self-insurance from the Commissioner of Insurance. The Commissioner of
25 Insurance may, in his or her discretion, upon the application of such person, issue such
26 a certificate when he or she is satisfied that such person has and will continue to have the

27 ability to provide coverages, benefits, and claims-handling procedures substantially
28 equivalent to those afforded by a policy of vehicle insurance in compliance with
29 ~~Chapter 34 of Title 33~~ this chapter.

30 (3)(A) As used in this paragraph, the term 'taxicab' means a motor vehicle used to
31 transport passengers for a fare and which is fitted with a taximeter to compute such
32 fare.

33 (B) Any person who operates 25 or more taxicabs and in whose name such vehicles are
34 registered may qualify as a self-insurer by obtaining a certificate of self-insurance from
35 the Commissioner of Insurance. The Commissioner of Insurance may, in his or her
36 discretion, upon the application of such person, issue such a certificate when he or she
37 is satisfied that such person has and will continue to have the ability to provide
38 coverages, benefits, and claims-handling procedures substantially equivalent to those
39 afforded by a policy of vehicle insurance in compliance with ~~Chapter 34 of Title 33~~ this
40 chapter. A person who operates fewer than 25 taxicabs and in whose name such
41 vehicles are registered shall not be allowed to qualify as a self-insurer with regard to
42 such vehicles.

43 (C) Except as otherwise provided in subparagraph (D) of this paragraph, on or after
44 July 1, 1994, to qualify for a certificate of self-insurance under subparagraph (B) of this
45 paragraph, a person shall maintain with the Commissioner a cash deposit of at least
46 \$100,000.00 and shall also possess and thereafter maintain an additional amount of at
47 least \$300,000.00 which shall be invested in the types of assets described in
48 subparagraphs (A) through (H) of Code Section 33-11-5 and Code Sections 33-11-10,
49 33-11-14.1, 33-11-20, 33-11-21, and 33-11-25, which relate to various types of
50 authorized investments for insurers.

51 (D) Any person operating as a self-insurer pursuant to a certificate of self-insurance
52 issued prior to July 1, 1994, shall be allowed a transition period in which to meet the
53 requirements of subparagraph (C) of this paragraph; provided, however, that, except as
54 provided in subparagraph (G) of this paragraph, on and after December 31, 1995, all
55 self-insurers under this paragraph shall comply fully with the requirements of
56 subparagraph (C) of this paragraph. The Commissioner of Insurance shall promulgate
57 rules and regulations relative to the transition period for compliance provided in this
58 subparagraph.

59 (E) Beginning July 1, 1994, and each year thereafter, a person operating as a
60 self-insurer pursuant to this paragraph shall submit to the Commissioner of Insurance,
61 on forms prescribed by the Commissioner, reports of the business affairs and operations
62 of the self-insurer in the same manner as required of insurers pursuant to Code
63 Section 33-3-21. A person operating as a self-insurer pursuant to this paragraph shall

64 also submit to the Commissioner an annual financial statement audited by an
 65 independent certified public accountant. The value of any asset listed in any report
 66 required by this subparagraph shall be limited to the equity interest of the person
 67 operating as a self-insurer pursuant to this paragraph.

68 (F) Any person operating as a self-insurer pursuant to this paragraph shall be subject
 69 to examination and proceedings in the same manner applicable to insurers transacting
 70 motor vehicle insurance in this state as provided in Chapter 2 of Title 33 and shall
 71 maintain reserves for losses in the same manner as insurers transacting motor vehicle
 72 insurance as provided in Chapter 10 of Title 33.

73 (G) Until December 31, 2003, the provisions of subparagraph (C) of this paragraph
 74 shall not apply to taxicab self-insurers which were located in counties with populations
 75 of 400,000 or less according to the United States decennial census of 1990 or any future
 76 such census and were licensed by the Commissioner of Insurance on December 31,
 77 1998.

78 (b)(1) In addition to the persons described in subsection (a) of this Code section, a
 79 religious organization that meets the requirements of this subsection may qualify as a
 80 self-insurer for motor vehicle liability insurance for all motor vehicles registered in this
 81 state that are owned or leased by members of such religious organization that obtains a
 82 certificate from the Commissioner. The Commissioner may, in his or her discretion,
 83 upon the application of such religious organization, issue a certificate when he or she is
 84 satisfied that such religious organization meets the qualifications of this subsection and
 85 has and will continue to have the ability to provide coverages, benefits, and
 86 claims-handling procedures substantially equivalent to those afforded by a policy of
 87 vehicle insurance in compliance with this chapter.

88 (2) In addition to any other rules or regulations established by the Commissioner, a
 89 religious organization seeking to obtain a certificate under the provisions of this
 90 subsection shall meet the following qualifications:

91 (A) The religious organization shall be a recognized sect or division of a recognized
 92 religious group having established tenets or teachings and shall have remained in
 93 existence continuously since December 31, 1950, and whose members hold a common
 94 belief in mutual financial assistance in time of need;

95 (B) The religious organization shall be a recognized sect or division of a religious
 96 group which has been a recognized religious group for purposes of exemption from
 97 federal social security and medicare taxes since December 31, 1970; and

98 (C) The religious organization has filed with the Commissioner the required minimum
 99 security. The required minimum security shall in no event be less than the following
 100 amounts:

	<u>Number of Vehicles</u>	<u>Required Security</u>
101		
102	<u>1-50</u>	<u>\$150,000.00</u>
103	<u>51-100</u>	<u>\$200,000.00</u>
104	<u>101-150</u>	<u>\$300,000.00</u>
105	<u>151-200</u>	<u>\$350,000.00</u>
106	<u>201-250</u>	<u>\$400,000.00</u>
107	<u>251-350</u>	<u>\$500,000.00</u>
108	<u>351 or more</u>	<u>\$600,000.00</u>

109 (3) The only forms of acceptable required minimum security shall be rendered in one or
 110 more of the following forms:

111 (A) United States currency placed as collateral with the Commissioner;

112 (B) Irrevocable letters of credit valid for a period of at least 24 months and renewable
 113 every 12 months and issued by a financial institution chartered by an agency of this
 114 state or the federal government; or

115 (C) Bonds or other negotiable obligations issued by this state, or a subdivision or
 116 instrumentality of this state, if not in default as to principal or interest.

117 (4) A certificate issued pursuant to this subsection shall be valid for a period of 12
 118 months and may be renewed upon the religious organization's filing of an appropriate
 119 application, including a report of all claims incurred during the preceding calendar year,
 120 the number of covered motor vehicles, and proof that the organization continues to meet
 121 the requirements of this subsection. If, based upon the number of claims incurred by the
 122 organization during the preceding calendar year or the number of covered motor vehicles,
 123 the Commissioner determines that the required minimum security under this subsection
 124 is inadequate, the Commissioner may require additional minimum security or reports, or
 125 both.

126 (b)(c) Upon a determination that any self-insurer, including a religious organization
 127 granted a certificate pursuant to subsection (b) of this Code section, has failed to pay on
 128 any valid claim within 30 days of its submission or has failed to satisfy any judgment
 129 within 30 days after such judgment shall become final, the Commissioner of Insurance
 130 shall revoke such insurer's certificate. The Commissioner of Insurance may on reasonable
 131 grounds cancel a certificate of self-insurance, including a certificate granted pursuant to
 132 subsection (b) of this Code section, and is authorized to promulgate rules and regulations
 133 prescribing such grounds for the cancellation of such certificates."

134 **SECTION 2.**

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