

Senate Bill 144

By: Senators Shafer of the 48th, Hudgens of the 47th, Hill of the 32nd and Moody of the 56th

**AS PASSED SENATE**

**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:**

8 **SECTION 1.**

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

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 by revising subsection (b) of Code Section 33-23-5.1, relating  
71 to conviction data, as follows:

72 "(b) With respect to the requirements of paragraph ~~(4)~~ (3) of subsection (a) of Code  
73 Section 33-23-5, the Commissioner shall be authorized to obtain conviction data with  
74 respect to an applicant as authorized in this Code section. The Commissioner shall submit  
75 to the Georgia Crime Information Center two complete sets of fingerprints of the applicant  
76 for appointment or employment, the required records search fees, and such other  
77 information as may be required. Upon receipt of such material, the Georgia Crime  
78 Information Center shall promptly forward one set of fingerprints to the Federal Bureau of  
79 Investigation for a search of bureau records and the preparation of an appropriate report  
80 concerning such records search and shall retain the other set and promptly conduct a search  
81 of its own records and all records to which the center has access. The Georgia Crime  
82 Information Center shall notify the Commissioner in writing of any derogatory finding,  
83 including, but not limited to, any conviction data regarding the fingerprint records check  
84 or if there is no such finding. All conviction data received by the Commissioner shall not  
85 be a public record, shall be privileged, and shall not be disclosed to any other person or  
86 agency except as provided in this Code section and except to any person or agency that  
87 otherwise has a legal right to inspect the employment file. All such records shall be  
88 maintained by the Commissioner pursuant to the laws regarding such records and the rules  
89 and regulations of the Federal Bureau of Investigation and the Georgia Crime Information  
90 Center, as applicable."

91 **SECTION 3.**

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

94 "33-47-4.1.

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

98

**SECTION 4.**

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