

Senate Bill 144

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

AS PASSED

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.