

House Bill 370

By: Representative Maxwell of the 17<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 56 of Title 33 of the Official Code of Georgia Annotated, relating to  
2 risk-based capital levels, so as to require a trend test for property and casualty companies;  
3 to revise the definition of a company action level event; to change the definition of negative  
4 trend; to provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Chapter 56 of Title 33 of the Official Code of Georgia Annotated, relating to risk-based  
8 capital levels, is amended by revising paragraph (7) of Code Section 33-56-1, relating to  
9 definitions, as follows:

10 "(7) 'Negative trend' means, with respect to a life and health insurer, a negative trend over  
11 a period of time, as determined in accordance with the trend test calculation included in  
12 the life RBC instructions."

13 **SECTION 2.**

14 Said chapter is further amended by revising paragraph (1) of subsection (a) of Code Section  
15 33-56-3, relating to the definition of a company action level event, as follows:

16 "(1) The filing of an RBC report by an insurer which indicates that:

17 (A) The insurer's total adjusted capital is greater than or equal to its regulatory action  
18 level RBC but less than its company action level RBC; ~~or~~

19 (B) If a life and health insurer, the insurer has total adjusted capital which is greater  
20 than or equal to its company action level RBC but less than the product of its authorized  
21 control level RBC and 2.5 and has a negative trend; or

22 (C) If a property and casualty insurer, the insurer has total adjusted capital which is  
23 greater than or equal to its company action level RBC but less than the product of its  
24 authorized control level RBC and 3.0 and triggers the trend test determined in

25 accordance with the trend test calculation included in the property and casualty RBC  
26 instructions:"

27 **SECTION 3.**

28 All laws and parts of laws in conflict with this Act are repealed.