

The Senate Insurance and Labor Committee offered the following substitute to SB 203:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 23 of Title 33 of the Official Code of Annotated, relating to licensing of
2 agents, agencies, subagents, counselors, and adjusters, so as to provide that certain
3 individuals who collect and input data into an automated claims adjudication system are
4 exempt from licensure; to provide for definitions; to change certain resident independent
5 adjuster license requirements; to add certain nonresident independent adjuster license
6 requirements; to provided for related matters; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 23 of Title 33 of the Official Code of Georgia Annotated, relating to licensing of
11 agents, agencies, subagents, counselors, and adjusters, is amended by adding a new
12 paragraph to subsection (a) of Code Section 33-23-1, relating to definitions, to read as
13 follows:

14 "(3.1) 'Automated claims adjudication system' means a preprogrammed computer system
15 designed for the collection, data entry, calculation, and final resolution of property
16 insurance claims used only for communications equipment as defined in paragraph (1) of
17 subsection (d) of Code Section 33-23-12 which:

18 (1) May only be utilized by a licensed independent adjuster, licensed agent, or supervised
19 individuals operating pursuant to this paragraph;

20 (2) Shall comply with all claims payment requirements of the Georgia Insurance Code;
21 and

22 (3) Shall be certified as compliant with this Code section by a licensed independent
23 adjuster that is an officer of a business entity licensed under this chapter."

24 **SECTION 2.**

25 Said chapter is further amended by adding a new paragraph to subsection (b) of Code Section
26 33-23-1, relating to definitions, to read as follows:

27 "(8) An individual who collects claim information from, or furnishes claim information
28 to, insureds or claimants, and who conducts data entry including entering data into an
29 automated claims adjudication system, provided that the individual is an employee of a
30 licensed independent adjuster or its affiliate where no more than 25 such persons are
31 under the supervision of one licensed independent adjuster or licensed agent."

32 **SECTION 3.**

33 Said chapter is further amended by revising Code Section 33-23-5, relating to the
34 qualifications and requirements for a license, as follows:

35 "33-23-5.

36 (a) For the protection of the people of this state, the Commissioner shall not issue,
37 continue, or permit to exist any license, except in compliance with this chapter and except
38 as provided in Code Sections 33-23-3, 33-23-4, 33-23-12, 33-23-13, 33-23-14, 33-23-16,
39 33-23-17, 33-23-29, 33-23-29.1, and 33-23-37. The Commissioner shall not issue a license
40 to any individual applicant for a license who does not meet or conform to qualifications or
41 requirements set forth in paragraphs (1) through (7) of this subsection:

42 (1) The individual applicant shall be a resident of this state who shall reside and be
43 present within this state for at least six months of every year or an individual whose
44 principal place of business is within this state; provided, however, that in cities, towns,
45 or trade areas, either unincorporated or composed of two or more incorporated cities or
46 towns, located partly within and partly outside this state, requirements as to residence and
47 principal place of business shall be deemed met if the residence or place of business is
48 located in any part of the city, town, or trade area and if the other state in which the city,
49 town, or trade area is located in part has established like requirements as to residence and
50 place of business. The individual applying for an agent, adjuster, or counselor license
51 shall be at least 18 years of age;

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

58 (3) The individual applicant shall be of good character;

59 (4) The individual applicant shall pass any written examination required for the license
60 by this article, provided that:

61 (A) An individual who applies for an insurance agent's license in this state who was
62 previously licensed for the same lines of authority in another state shall not be required
63 to complete any prelicensing education or examination. This exemption shall only be
64 available if the individual is currently licensed in that state or if the application is
65 received within 90 days of the cancellation of the applicant's previous license and if the
66 prior state issues a certification that, at the time of cancellation, the applicant was in
67 good standing in that state or the state's producer data base records maintained by the
68 National Association of Insurance Commissioners, its affiliates, or subsidiaries indicate
69 that the agent is or was licensed in good standing for the line of authority requested; and
70 (B) An individual licensed as an insurance agent in another state who moves to this
71 state shall make application within 90 days of establishing legal residence to become
72 a resident licensee pursuant to Code Section 33-23-8. No prelicensing education or
73 examination shall be required of that individual to obtain a license for any line of
74 authority previously held in the prior state except where the Commissioner determines
75 otherwise by rule or regulation;

76 (5) If applying for a license as counselor, the applicant shall show that he or she either
77 has had five years' experience as an agent, subagent, or adjuster or in some other phase
78 of the insurance business or has sufficient teaching or educational qualifications or
79 experience which, in the opinion of the Commissioner, has qualified the applicant to act
80 as such counselor; and the applicant shall pass such examination as shall be required by
81 the Commissioner unless such applicant is exempted by the Commissioner, based on the
82 applicant's experience and qualifications and pursuant to a regulation adopted by the
83 Commissioner;

84 (6) If applying for an agent's license, limited subagent's license, or adjuster's license, no
85 applicant shall be qualified therefor or be so licensed unless he or she has successfully
86 completed classroom courses in insurance satisfactory to the Commissioner at a school
87 which has been approved by the Commissioner; and

88 (7) The Commissioner shall by rule or regulation establish criteria and procedures for the
89 scope of prelicensing requirements and exemptions, if any, to the prelicensing or
90 examination requirements.

91 (b) An individual who was licensed as an agent, counselor, limited subagent, surplus line
92 broker, or adjuster at the time such individual was employed by the Commissioner and who
93 while so employed was employed in responsible insurance duties as a full-time bona fide
94 employee shall be permitted to reinstate his or her license upon termination of employment

95 if written request is made within 90 days after the date of termination of employment with
96 the Commissioner.

97 (c) Active licensees who apply for additional licenses and individuals who apply for the
98 reinstatement of a license prior to six months from the license expiration date shall not be
99 required to submit fingerprints pursuant to Code Section 33-23-5.1.

100 (d) Notwithstanding paragraph (1) of subsection (a) of Code Section 33-23-5, no resident
101 of Canada may be licensed as an independent adjuster pursuant to this Code section or may
102 designate Georgia as their home state, unless such person successfully passed the adjuster
103 examination and has complied with other applicable portions of this Code section."

104 **SECTION 4.**

105 Said chapter is further amended by adding a new subsection to Code Section 33-23-29,
106 relating to nonresident adjusters, to read as follows:

107 "(f) No resident of Canada may be licensed as a nonresident independent adjuster unless
108 such person has obtained a resident or home state independent adjuster license."

109 **SECTION 5.**

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