

House Bill 477 (AS PASSED HOUSE AND SENATE)

By: Representatives Shaw of the 176th, Meadows of the 5th, Maxwell of the 17th, Hembree of the 67th, James of the 135th, and others

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 provide for the transition from an annual renewal to a biennial renewal of licenses of agents,
3 agencies, subagents, counselors, and adjusters; to provide for promulgation of rules and
4 regulations by the Commissioner; to provide for an effective date; to provide for related
5 matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
9 revising Code Section 33-23-3, relating to agency licensing and annual renewal, transition
10 from annual renewal to biennial renewal, and ownership restrictions, as follows:

11 "33-23-3.

12 (a) Each principal office and each branch office of an agency as defined in paragraph (2)
13 of subsection (a) of Code Section 33-23-1 must obtain an agency license prior to
14 commencement of operations and renew such license ~~annually~~ biennially and prior to
15 December 31 by filing application forms prescribed by the Commissioner, ~~except as~~
16 ~~provided by subsection (a.1) of this Code section.~~

17 ~~(a.1) The Commissioner by rule or regulation may provide for the transition from annual~~
18 ~~renewal to biennial renewal of licenses issued under this Code section by staggering the~~
19 ~~renewal periods in 2012 and 2013. Certain licenses may be required to renew one year at~~
20 ~~one-half the biennial fee provided in Code Section 33-8-1~~ All agency licenses that were
21 issued with an expiration date of December 31, 2012, shall expire on that date, but shall be
22 renewed pursuant to subsection (a) of this Code section.

23 (b) An agency shall be subject to all penalties, fines, criminal sanctions, and other actions
24 authorized for agents under this chapter.

25 (c) No person shall be an owner of an agency or, if the agency is a corporation, no person
26 shall be an officer or director of such corporation or own 10 percent or more of the

27 corporation if such person has had his or her license under this chapter refused, revoked,
28 or suspended."

29 **SECTION 2.**

30 Said title is further amended by revising Code Section 33-23-18, relating to issuance of a
31 license on a continuous basis, filing for continuation, continuing education requirements, and
32 transition from annual renewal to biennial renewal, as follows:

33 "33-23-18.

34 (a) All resident agent, limited subagent, adjuster, and counselor licenses, with the
35 exception of temporary or probationary licenses, shall be issued on a ~~continuous~~ biennial
36 basis and shall expire on the last day of the licensee's birth month, except as provided in
37 subsection (c.1) of this Code section.

38 (b) ~~Such resident~~ Resident agent, limited subagent, adjuster, and counselor licenses may
39 be ~~continued~~ renewed upon receipt by the Commissioner of evidence of such continuing
40 education as the Commissioner may establish by rule or regulation and payment of such
41 fees as are provided by law.

42 (c) ~~Filings for continuation of the license on forms prescribed by rule or regulation must~~
43 ~~be made prior to the first December 31 following the initial issuance of the license and~~
44 ~~every December 31 thereafter, except as provided in subsection (h) of this Code section.~~
45 Renewal of the license on forms prescribed by rule or regulation must be made prior to the
46 last day of the licensee's birth month and biennially thereafter, except as provided in
47 subsection (c.1) of this Code section.

48 (c.1) All licenses that expire on December 31, 2012, shall be transitioned to a biennial term
49 and shall expire on the last day of the licensee's birth month, provided that, during the
50 transition, the Commissioner may, as provided by rule or regulation, renew such licenses
51 for a term greater or shorter than the biennial term and may prorate the license renewal
52 fees.

53 (d) Continuing education requirements imposed by the Commissioner pursuant to this
54 Code section shall not exceed 15 classroom hours for each licensed individual who has
55 held a license for less than 20 years during the ~~calendar~~ year. For those individuals who
56 have held a license for 20 years or more, the requirement shall be no more than ten
57 classroom hours during the ~~calendar~~ year. However, the Commissioner may provide by
58 rule or regulation for continuing education requirements on a biennial basis.

59 (e) Any individual who has been licensed as an agent for ten consecutive years or more
60 and who does not perform any of the functions specified in paragraph (3) of subsection (a)
61 of Code Section 33-23-1 other than receipt of renewal or deferred commissions shall be
62 exempt from continuing education requirements; provided, however, that if such individual

63 wishes to again perform any of the other functions specified in said paragraph, such
 64 individual must obtain approval from the Commissioner and comply with the requirements
 65 of this chapter, including without limitation the requirements for continuing education.
 66 The Commissioner may provide, by rule or regulation, for any other exemption to or
 67 reduction in continuing education required under this Code section.

68 (f) Every individual required to participate in a continuing education program pursuant to
 69 this Code section, ~~shall furnish~~ or such individual's insurer, shall furnish the Commissioner
 70 such information as the Commissioner deems necessary to verify compliance with the
 71 continuing education requirements.

72 (g) The Commissioner by rule or regulation may establish the following:

73 (1) Staggered deadlines for the filing of forms for ~~continuation~~ renewal of licenses and
 74 the corresponding required fees; and

75 (2) Penalties and procedures for licensees who fail to comply with subsection (c) of this
 76 Code section.

77 ~~(h) The Commissioner by rule or regulation may provide for the transition from annual
 78 renewal to biennial renewal of licenses issued under this Code section by staggering the
 79 renewal periods in 2012 and 2013. Certain licenses may be required to renew one year at
 80 one-half the biennial fee provided in Code Section 33-8-1."~~

81 SECTION 3.

82 Said title is further amended by revising subsection (b) of Code Section 33-23-37, relating
 83 to licensing of a surplus lines broker, as follows:

84 "(b) Any person, while licensed as a resident agent as to property, casualty, and surety
 85 insurance and who is deemed by the Commissioner to be competent and trustworthy, may
 86 be licensed as a surplus lines broker as follows:

87 (1) Application to the Commissioner for the license shall be on forms furnished by the
 88 Commissioner;

89 (2) The license fee shall be in an amount as provided in Code Section 33-8-1;

90 (3) Each license shall be issued ~~for a term expiring on December 31 next following the~~
 91 date of issuance on a biennial basis and shall expire on the last day of the licensee's birth
 92 month and may be renewed ~~annually~~ by filing an application and paying the prescribed
 93 fee in accordance with this Code section except as provided in paragraph (3.1) of this
 94 subsection;

95 ~~(3.1) The Commissioner by rule or regulation may provide for the transition from annual
 96 renewal to biennial renewal of licenses issued under this Code section by staggering the
 97 renewal periods in 2012 and 2013. Certain licenses may be required to renew one year
 98 at one-half the biennial fee provided in Code Section 33-8-1~~ All licenses that expire on

99 December 31, 2012, shall be transitioned to a biennial term, provided that, during the
100 transition, the Commissioner may, as provided by rule or regulation, renew such licenses
101 for a term greater or shorter than the biennial term and may prorate the license renewal
102 fees;

103 (4) Prior to the issuance of the license or any renewal of the license, the applicant shall
104 file a bond with the Commissioner or his or her successor in office, for the benefit of any
105 person injured by the violation of the conditions provided in this paragraph. The bond
106 shall be executed by the applicant as principal and by a corporate surety authorized to do
107 business in this state and shall be in the penal sum of \$50,000.00, conditioned that the
108 applicant will comply with the following:

109 (A) Place insurance only in compliance with Code Section 33-5-25;

110 (B) Remit promptly the taxes provided in Code Section 33-5-31;

111 (C) Account to any person requesting him or her to obtain insurance for funds or
112 premiums collected in connection with such insurance; and

113 (D) Otherwise conduct business in accordance with this title.

114 The bond shall not be terminated unless prior to such termination 30 days' written notice
115 is filed with the Commissioner; and

116 (5) Each applicant for a license to act as a surplus lines broker shall submit to a personal
117 written examination to determine his or her competence, unless the applicant is licensed
118 as a surplus lines broker in his or her home state."

119 **SECTION 4.**

120 This Act shall become effective upon its approval by the Governor or upon its becoming law
121 without such approval.

122 **SECTION 5.**

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