

**ADOPTED**

Senator Shafer of the 48th offered the following amendment:

1 *Amend the committee substitute to HB 1067 (LC 37 1471S) by deleting lines 1 and 2 and*  
 2 *inserting in lieu thereof the following:*

3 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to  
 4 provide for the

5 *By inserting on line 6 after "requirements" the following:*

6 to provide for requirements of retail installment sellers to be exempted from reinsurance  
 7 requirements relating to vehicle service agreements or extended warranty agreements; to  
 8 provide for an exception to retail installment seller's requirement to insure its guaranteed  
 9 asset protection waiver obligations under a contractual liability policy or other such policy;

10 *By deleting lines 10 and 11 and inserting in lieu thereof the following:*

11 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
 12 revising subsection (a) of Code

13 *By deleting on lines 20, 201, 214, 221, 231, 238, and 249 "Said chapter" and inserting in lieu*  
 14 *thereof "Said title".*

15 *By inserting after line 253 the following:*

16 Said title is further amended by adding a new subsection to Code Section 33-7-6 of the  
 17 Official Code of Georgia Annotated, relating to property insurance, contact requirements,  
 18 rules and regulations, and exemptions, to read as follows:

19 "(f) Property insurance does not include those agreements commonly known as vehicle  
 20 service agreements or extended warranty agreements which are issued, sold, or offered for  
 21 sale by a retail installment seller, as defined in Code Section 10-1-31 in connection with  
 22 the sale of a motor vehicle by such retail installment seller, provided that such retail  
 23 installment seller:

24 (1) Maintains, or has a parent company maintain, a net worth or stockholders' equity of  
 25 at least \$50 million, provided the parent company guarantees the obligations of the retail  
 26 installment seller arising from vehicle service agreements or extended warranty  
 27 agreements underwritten pursuant to this subparagraph;

28 (2) Complies with the registration requirement prescribed by the Commissioner through  
 29 regulation;

30 (3) Files with the Commissioner a true and correct copy of the vehicle service agreement  
 31 or extended warranty agreement that has a term of and is no longer than nine months in  
 32 a form that is consistent with the terms prescribed by the Commissioner through  
 33 regulation;

34 (4) Files a copy of its Form 10-K or Form 20-F disclosure statements, or if it does not  
 35 file such statements with the United States Securities and Exchange Commission, a copy  
 36 of its audited financial statements reported on a GAAP basis. If the retail installment  
 37 seller's financial statements are consolidated with those of its parent company, then the  
 38 retail installment seller may comply with this provision by filing the statements of its  
 39 parent company. The statement shall be filed with the Commissioner 30 days prior to the  
 40 retail installment seller's initial offering or delivering of a service agreement or extended  
 41 warranty agreement, and thereafter, the statement shall be filed with the Commissioner  
 42 annually; and

43 (5) Upon the request of the Commissioner, posts a security deposit or surety bond in an  
 44 amount not to exceed \$250,000.00 and in the manner prescribed by the Commissioner  
 45 through regulation."

#### 46 **SECTION 10.**

47 Said title is further amended by revising Code Section 33-63-4, relating to offering, selling,  
 48 or providing to borrowers guaranteed asset protection waivers, by adding a new subsection  
 49 to read as follows:

50 "(i) A retail installment seller that offers, provides, or sells a guaranteed asset protection  
 51 waiver in connection with the sale of a motor vehicle shall not be required to insure its  
 52 guaranteed asset protection waiver if the retail installment seller does both of the following:

53 (1) Maintains, or has a parent company that maintains, a net worth or stockholders'  
 54 equity of at least \$50 million, provided the parent company guarantees the obligations of  
 55 the retail installment seller arising from guaranteed asset protection waivers underwritten  
 56 pursuant to this subsection; and

57 (2) Files a copy of its Form 10-K or Form 20-F disclosure statements, or, if it does not  
 58 file with the United States Securities and Exchange Commission, a copy of its audited  
 59 financial statements reported on generally accepted accounting principles. If the retail  
 60 installment seller's financial statements are consolidated with those of its parent company,  
 61 then the retail installment seller may comply with the provisions of this paragraph by  
 62 filing the statements of its parent company. The statement shall be filed with the  
 63 Commissioner at least 30 days prior to the retail installment seller's initial offering or  
 64 delivering a guaranteed asset protection waiver, and thereafter the statement shall be filed  
 65 with the Commissioner annually."

#### 66 **SECTION 11.**