

COMMITTEE OF CONFERENCE SUBSTITUTE TO SB 203:

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 update this state's domestic farmers' mutual fire insurance companies provisions; to provide  
3 that the companies are organized for the purpose of insuring property; to provide for  
4 minimum surplus requirements for the issuance of a certificate of authority; to provide that  
5 certain changes to a plan of operation require filing and approval by the Commissioner; to  
6 provide for bylaw amendment at least 30 days prior to adoption; to provide for minimum  
7 surplus requirements; to provide for limitations on amount that may be retained on any  
8 subject of insurance; to provide for the comprehensive revision of provisions regarding the  
9 issuance and regulation of limited licenses to sell portable electronics insurance; to provide  
10 for changes to license requirements for certain resident independent adjusters; to add certain  
11 nonresident independent adjuster license requirements; to provide for related matters; to  
12 repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 **SECTION 1.**

15 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
16 revising Chapter 16 of Title 33, relating to farmers' mutual fire insurance companies, as  
17 follows:

18 "CHAPTER 16

19 33-16-1.

20 This chapter applies only to domestic farmers' mutual fire insurance companies.

21 33-16-2.

22 (a) 'Domestic farmers' mutual fire insurance companies' are companies organized for the  
23 purpose of ~~insurance on the assessment or cooperative plan~~ insuring property against loss

24 or damage by fire, lightning, windstorm, extended coverage, and hail, and for all, or ~~either~~  
 25 any, of such purposes.

26 (b) Domestic farmers' mutual fire insurance companies may write insurance against said  
 27 hazards on such property risks as their charter and bylaws may provide.

28 33-16-3.

29 (a) Twenty or more persons a majority of whom are citizens of this state may become a  
 30 body corporate for the purpose of transacting insurance upon the farmers' mutual fire  
 31 insurance plan as defined in Code Section 33-16-2 by making an application for a charter  
 32 signed by the persons applying for the charter or their counsel in triplicate specifying:

33 (1) The name of the proposed corporation. The name shall contain the words 'Farmers'  
 34 Mutual' and shall not be so similar to any name already used by any other corporation  
 35 authorized to transact business in this state as to be confusing or misleading;

36 (2) The purpose for which the corporation is formed;

37 (3) The name of the county in this state in which the corporation will have its principal  
 38 office and the names of any other ~~contiguous~~ counties in which it proposes to operate;

39 (4) The name and address of each incorporator;

40 (5) The names and addresses of those composing the board of directors of the  
 41 corporation in which the management shall be vested until the first meeting of the  
 42 members; and

43 (6) Any other provisions not inconsistent with this chapter or other applicable laws as  
 44 are deemed desirable by the incorporators or as may be required by the Commissioner.

45 (b) The corporate charter shall be granted by the Secretary of State as provided in Chapter  
 46 14 of this title.

47 33-16-4.

48 (a) No person shall transact or attempt to transact business as a farmers' mutual fire  
 49 insurance company unless so authorized by a currently effective certificate of authority  
 50 issued by the Commissioner.

51 (b) The Commissioner shall not issue or permit to exist any certificate of authority as to  
 52 any ~~corporation~~ or insurer not currently qualified for such certificate unless it is shown to  
 53 the satisfaction of the Commissioner that:

54 (1) ~~It has received bona fide applications from not less than 25 citizens of this state for~~  
 55 ~~not less than \$100,000.00 of insurance covering farm property located in the county or~~  
 56 ~~counties in which it is organized to transact business, which shall not be more than four~~  
 57 ~~contiguous counties and those counties which are contiguous to the county of the~~  
 58 ~~corporation's or insurer's domicile and with not more than the maximum amount of~~

59 ~~insurance permitted on a single risk under Code Section 33-16-14~~ The farmers' mutual  
 60 fire insurance company maintains the minimum surplus required by subsection (a) of  
 61 Code Section 33-16-13;

62 ~~(2) It has collected in cash the first payment or premium or assessment required to be~~  
 63 ~~paid in advance by each such applicant for its insurance according to the company's~~  
 64 ~~bylaws or has received from each such applicant such form of obligation, if any, as may~~  
 65 ~~be provided for in the bylaws to cover liability for payment of initial assessments and any~~  
 66 ~~future assessments as may be levied~~ The farmers' mutual fire insurance company  
 67 maintains a security deposit as required by subsection (c) of Code Section 33-16-13;

68 ~~(3) There is on deposit to its credit, in a bank located in the county of its domicile, funds~~  
 69 ~~representing a surplus of its assets over its liabilities in the amount of not less than~~  
 70 ~~\$10,000.00; provided, however, that if such company writes an amount of insurance~~  
 71 ~~coverage of \$7 million or more, the deposit of funds representing a surplus of its assets~~  
 72 ~~over its liabilities shall be an amount not less than \$30,000.00~~ The farmers' mutual fire  
 73 insurance company has submitted an acceptable business plan to the Commissioner that  
 74 includes, but is not limited to, two-year financial projections and supporting assumptions  
 75 reflecting expected premiums and losses, counties where the farmers' mutual fire  
 76 insurance company intends to insure property, and the contingent liability, if any, of its  
 77 members;

78 ~~(4) At the time of filing the petition for a charter as required under Code Section 33-16-3,~~  
 79 ~~the organizers of the proposed company have filed with the Commissioner a qualified~~  
 80 ~~bond in the sum of \$5,000.00 with good and sufficient security, subject to the~~  
 81 ~~Commissioner's approval. The bond shall be conditioned for the prompt return to~~  
 82 ~~members of all money collected from them in advance and for payment of all~~  
 83 ~~indebtedness of the company if the organization of the company is not completed within~~  
 84 ~~two years after the date of the granting of the charter; and~~

85 ~~(5)~~(4) It must otherwise be in compliance with the requirements of this chapter.

86 (c) Any proposed changes to a farmers' mutual fire insurance company's plan of operation  
 87 subsequent to licensure pursuant to this chapter, including but not limited to geographical  
 88 expansion, shall be filed and approved in advance by the Commissioner.

89 33-16-5.

90 Farmers' mutual fire insurance companies shall pay no annual fees or charges other than  
 91 an annual license fee as provided in Code Section 33-8-1.

92 33-16-6.

93 In companies organized under this chapter, the number of directors shall be not less than  
94 three. A majority of the board of directors shall be a quorum for the transaction of business.  
95 No person shall be or act as a director of the insurer who does not have currently effective  
96 insurance in force in the insurer.

97 33-16-7.

98 The board of directors of a farmers' mutual fire insurance company may, at any time,  
99 borrow such sum or sums of money as they may deem necessary to pay its losses, accrued  
100 or unaccrued, and may pledge the assets of the company including the contingent liability  
101 of policyholders for the losses as security for the loan.

102 33-16-8.

103 (a) The bylaws shall state the time and manner of the levy and payment of all premiums  
104 or assessments for all insurance written by the company.

105 (b) The bylaws shall also fix the liability of the policyholders for all losses accrued while  
106 the policies are in force, in addition to the regular premium or assessment of the  
107 policyholders, and the time and manner of payment of such liability.

108 (c) The bylaws may be amended and any such amendment shall be filed with the  
109 Commissioner ~~within~~ at least 30 days ~~after~~ prior to its adoption.

110 (d) The bylaws may contain provisions for the exclusion of any member of the company  
111 who refuses or neglects to pay his or her assessment or for any other reasons satisfactory  
112 to the directors to be excluded from the insurer.

113 33-16-9.

114 The portion of the bylaws which affects the insuring agreement shall be contained in the  
115 policy. Each policy issued by the insurer shall contain a statement of the contingent  
116 liability, if any, of its members.

117 33-16-10.

118 The companies may provide in the policy that officers and agents elected by them do not  
119 have the power to waive any provision of the bylaws.

120 33-16-11.

121 An annual meeting of such company shall be held at such a time as is fixed in the bylaws  
122 of the company. Special meetings may be held for such purposes and in such manner as  
123 may be specified in the insurer's bylaws, consistent with this chapter. All such meetings

124 shall be held in the insurer's county of domicile or other location in this state that is  
 125 convenient for its membership and specified in the insurer's bylaws. Notice of such meeting  
 126 shall be mailed or otherwise given to each member not less than 20 days in advance of the  
 127 meeting, and notice of any special meeting called by the board of directors shall be given  
 128 in writing not less than ten days in advance stating the purpose of the meeting so called.

129 33-16-12.

130 Each policyholder in a farmers' mutual fire insurance company shall be entitled to only one  
 131 vote in all policyholders' meetings. No voting by proxy shall be permitted unless it is  
 132 specially authorized in the bylaws and approved by the Commissioner.

133 33-16-13.

134 ~~A farmers' mutual fire insurance company shall not issue policies of insurance or otherwise~~  
 135 ~~insure property located in any county in this state other than the county in which it has its~~  
 136 ~~home office as specified in its original charter and in any other contiguous county (a) The~~  
 137 ~~amount of minimum surplus required for each farmers' mutual fire insurance company shall~~  
 138 ~~be determined on an individual basis; however, no farmers' mutual fire insurance company~~  
 139 ~~shall be issued a certificate of authority unless it shall possess and thereafter maintain a~~  
 140 ~~minimum of \$150,000.00 in surplus.~~

141 (b) Minimum surplus of up to \$150,000.00 shall be maintained in any of the following:

142 (1) Cash;

143 (2) Certificates of deposit or similar certificates or evidence of deposits in banks or trust  
 144 companies but only to the extent that the certificates or deposits are insured by the  
 145 Federal Deposit Insurance Corporation; or

146 (3) Savings accounts, certificates of deposit, or similar certificates or evidence of deposit  
 147 in savings and loan associations and building and loan associations but only to the extent  
 148 that the same are insured by the Federal Savings and Loan Insurance Corporation.

149 (c) A portion of the minimum surplus, in an amount determined by the Commissioner,  
 150 must be deposited with this state prior to the issuance of the certificate of authority.  
 151 Chapter 12 of this title shall apply to the deposit required by this subsection.

152 (d) Any additional surplus in excess of \$150,000.00 required by the Commissioner  
 153 pursuant to subsection (a) of this Code section may be provided and maintained in any of  
 154 the following:

155 (1) Any eligible investments of minimum capital or surplus authorized by Code Section  
 156 33-11-5; or

157 (2) Any other investments approved by the Commissioner that do not impair the  
 158 financial solvency of the farmers' mutual fire insurance company.

159 33-16-14.

160 (a) The maximum amount of insurance that a farmers' mutual fire insurance company may  
 161 retain on any subject or subjects of insurance reasonably exposed to loss from the same fire  
 162 shall not exceed ~~the amount prescribed in the following schedule:~~ 10 percent of its surplus.

<u>Amount of Insurance in Force</u>	<u>Maximum Risk</u>
164 <del>\$ 100,000 but less than \$ 250,000 . . . . .</del>	<del>\$ 5,000</del>
165 <del>250,000 but less than 400,000 . . . . .</del>	<del>5,000</del>
166 <del>400,000 but less than 600,000 . . . . .</del>	<del>5,000</del>
167 <del>600,000 but less than 900,000 . . . . .</del>	<del>5,000</del>
168 <del>900,000 but less than 1,200,000 . . . . .</del>	<del>6,000</del>
169 <del>1,200,000 but less than 1,500,000 . . . . .</del>	<del>7,500</del>
170 <del>1,500,000 but less than 2,000,000 . . . . .</del>	<del>10,000</del>
171 <del>2,000,000 but less than 2,500,000 . . . . .</del>	<del>12,500</del>
172 <del>2,500,000 but less than 3,000,000 . . . . .</del>	<del>15,000</del>
173 <del>3,000,000 but less than 3,500,000 . . . . .</del>	<del>17,500</del>
174 <del>3,500,000 but less than 7,000,000 . . . . .</del>	<del>35,000</del>
175 <del>7,000,000 and over . . . . .</del>	<del>50,000</del>

176 (b) ~~The classification of all risks in the above schedule and the percentage given in each~~  
 177 ~~shall be uniformly fixed and governed by the bylaws of the insurer.~~

178 (c) In determining the amount at risk and retained by the insurer, any valid and applicable  
 179 reinsurance authorized shall be deducted from the gross amount of risk directly assumed  
 180 by the insurer.

181 33-16-15.

182 A farmers' mutual fire insurance company shall not accept reinsurance of the risk of any  
 183 other insurer.

184 33-16-16.

185 No member of such insurer shall be liable to assessment to pay losses and expenses  
 186 accruing prior to the time his policy became effective nor for losses and expenses accruing  
 187 after termination or expiration of the policy.

188 33-16-17.

189 Companies organized under this chapter may bring and defend actions in the name under  
190 which they are doing business.

191 33-16-18.

192 Every farmers' mutual fire insurance company shall, on or before March 1 of each year,  
193 make and file with the Commissioner an annual statement of its business as of December  
194 31 of the preceding year, on the form prescribed by the Commissioner.

195 33-16-19.

196 The Commissioner shall at least once in five years, or as often as he or she deems  
197 necessary, examine farmers' mutual fire insurance companies. The costs of the examination  
198 shall be paid by the company.

199 33-16-20.

200 Any company organized under this chapter shall be exempt from all taxes, costs, and fees,  
201 including those listed in Chapter 8 of this title, except as expressly provided in this chapter  
202 and except taxes payable upon real and personal property owned by the company.

203 33-16-21.

204 In addition to this chapter, farmers' mutual fire insurance companies shall be subject to the  
205 following chapters of this title to the extent so applicable: Chapters 1, 2, 5, 6, 12, and 37,  
206 and Article 1 of Chapter 11 of this title.

207 33-16-22.

208 Any company organized under this chapter may be converted into a mutual insurance  
209 company by complying with the applicable provisions of Chapter 14 of this title."

210 **SECTION 2.**

211 Said title is further amended by revising subsection (a) of Code Section 33-23-12, relating  
212 to limited licenses for insurance agents, agencies, subagents, counselors, and adjustors, as  
213 follows:

214 "(a) Except as provided in subsection (b) of this Code section for credit insurance licenses,  
215 subsection (c) of this Code section for rental companies, and subsection (d) of this Code  
216 section for ~~communications equipment~~ portable electronics, the Commissioner may  
217 provide by rule or regulation for licenses which are limited in scope to specific lines or  
218 sublines of insurance."

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**SECTION 3.**

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Said title is further amended by revising subsection (d) of said Code Section 33-23-12, relating to limited licenses for insurance agents, agencies, subagents, counselors, and adjuster, as follows:

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"(d)(1) As used in this subsection, the term:

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(A) 'Customer' means a person who purchases portable electronics or services.

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(B) 'Enrolled customer' means a customer who elects coverage under a portable electronics insurance policy issued to a vendor of portable electronics.

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(C) 'Location' means any physical location in the State of Georgia or any website, call center site, or similar location directed to residents of the State of Georgia.

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(D) 'Portable electronics' ~~'communications equipment'~~ means handsets, pagers, personal digital assistants, portable computers, automatic answering devices, cellular telephones, batteries, and other similar devices ~~or and~~ their accessories ~~used to originate or receive communications signals or service for individual customer use only~~ and includes services related to the use of such devices, including, but not limited to, individual customer access to a wireless network.

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(E) 'Portable electronics insurance' means insurance providing coverage for the repair or replacement of portable electronics which may provide coverage for portable electronics against any one or more of the following causes of loss: loss, theft, inoperability due to mechanical failure, malfunction, damage, or other similar causes of loss. Such term shall not include a service contract or extended warranty providing coverage limited to the repair, replacement, or maintenance of property in cases of operational or structural failure due to a defect in materials, workmanship, accidental damage from handling power surges, or normal wear and tear.

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(F) 'Portable electronics transaction' means the sale or lease of portable electronics by a vendor to a customer or the sale of a service related to the use of portable electronics by a vendor to a customer.

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(G) 'Supervising entity' means a business entity that is a licensed insurer, or insurance producer that is authorized by licensed insurer, to supervise the administration of a portable electronics insurance program.

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(H) 'Vendor' means a person in the business of engaging in portable electronics transactions directly or indirectly.

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(2) The ~~Commissioner~~ commissioner may issue to a retail vendor of ~~communications equipment~~ portable electronics that has complied with the requirements of this subsection a limited license authorizing the limited licensee to offer or sell ~~insurance policies covering only the loss, theft, mechanical failure, or malfunction of or damage to communications equipment~~ portable electronics insurance policies.

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256 (3) A limited license issued under this subsection shall authorize any employee or  
 257 authorized representative of the vendor to sell or offer coverage under a policy of portable  
 258 electronics insurance to customers at each location where the vendor engages in portable  
 259 electronics transactions.

260 (4) The supervising entity shall maintain a registry of vendor locations that are  
 261 authorized to sell or solicit portable electronics insurance coverage in this state. Upon  
 262 request by the commissioner and with ten days notice to the supervising entity, the  
 263 registry shall be open to inspection and examination by the commissioner during regular  
 264 business hours of the supervising entity.

265 ~~(3)~~(5) The sale of such insurance policies shall be limited to sales in connection with the  
 266 sale of or provision of service for ~~communications equipment~~ portable electronics by the  
 267 retail vendor.

268 (6) At every location where portable electronics insurance is offered to customers,  
 269 brochures or other written materials shall be made available to a prospective customer  
 270 which:

271 (A) State that the enrollment by the customer in a portable electronics insurance  
 272 program is not required in order to purchase or lease portable electronics or services;

273 (B) Summarize the material terms of the insurance coverage, including:

274 (i) The identity of the insurer;

275 (ii) The identity of the supervising entity;

276 (iii) The amount of any applicable deductible and how it is to be paid;

277 (iv) Benefits of the coverage; and

278 (v) Key terms and conditions of coverage such as whether portable electronics may  
 279 be repaired or replaced with a similar make and model or with reconditioned or  
 280 nonoriginal manufacturer parts or equipment;

281 (C) Summarize the process for filing a claim, including a description of how to return  
 282 portable electronics and the maximum fee applicable in the event the customer fails to  
 283 comply with any equipment return requirements; and

284 (D) State that an enrolled customer may cancel enrollment for coverage under a  
 285 portable electronics insurance policy at any time and the person paying the premium  
 286 shall receive a refund of any applicable unearned premium.

287 (7) Portable electronics insurance may be offered on a month-to-month or other periodic  
 288 basis as a group or master commercial inland marine policy issued to a vendor of portable  
 289 electronics for its enrolled customers. Coverage under portable electronics insurance  
 290 shall be primary to any other insurance.

291 (8) Eligibility and underwriting standards for customers electing to enroll in coverage  
 292 shall be established for each portable electronics insurance program.

293 (9) Notwithstanding any other provision of law, employees or authorized representatives  
 294 of a vendor of portable electronics shall not be compensated based primarily on the  
 295 number of customers enrolled for portable electronics insurance coverage but may  
 296 receive compensation for activities under the limited license which are incidental to their  
 297 overall compensation.

298 (10) The charges for portable electronics insurance coverage may be billed and collected  
 299 by the vendor of portable electronics. Any charge to the enrolled customer for coverage  
 300 that is not included in the cost associated with the purchase or lease of portable  
 301 electronics or related services, shall be separately itemized on the enrolled customer's bill.  
 302 If the portable electronics insurance coverage is included with the purchase or lease of  
 303 portable electronics or related services, the vendor shall clearly and conspicuously  
 304 disclose to the enrolled customer that the portable electronics insurance coverage is  
 305 included with the portable electronics or related services. Vendors billing and collecting  
 306 such charges shall not be required to maintain such funds in a segregated account,  
 307 provided that the vendor is authorized by the insurer to hold such funds in an alternative  
 308 manner and remits such amounts to the supervising entity within 60 days of receipt. All  
 309 funds received by a vendor from an enrolled customer for the sale of portable electronics  
 310 insurance shall be considered funds held in trust by the vendor in a fiduciary capacity for  
 311 the benefit of the insurer. Vendors may receive compensation for billing and collection  
 312 services.

313 ~~(4)~~(11) As a prerequisite for issuance of a limited license under this subsection, there  
 314 shall be filed with the Commissioner an application for such limited license or licenses  
 315 in a form and manner prescribed by the Commissioner. The application shall provide:

316 (A) The name, residence address, and other information required by the Commissioner  
 317 of an employee or officer of the vendor that is designated by the applicant as the person  
 318 responsible for the vendor's compliance with the requirements of this subsection;

319 (B) If the vendor derives more than 50 percent of its revenue from the sale of portable  
 320 electronics insurance, the information required by subparagraph (A) of this paragraph  
 321 for all officers, directors, and shareholders of record having beneficial ownership of 10  
 322 percent or more of any class of securities registered under the federal securities law;  
 323 and

324 (C) The location of the applicant's home office.

325 (12) The employees and authorized representatives of vendors may sell or offer portable  
 326 electronics insurance to customers and shall not be subject to licensure as an insurance  
 327 producer under this Code section, provided that the supervising entity supervises the  
 328 administration of ~~(5) Each retail vendor licensed pursuant to this subsection shall provide~~  
 329 a training program in which employees and authorized representatives of such retail a

330 vendor shall be trained ~~by a licensed instructor~~ and receive basic insurance instruction  
 331 about the kind of coverage authorized in this subsection and offered for purchase by  
 332 prospective purchasers ~~of communications equipment or service~~. The training required  
 333 by this subsection may be provided in electronic form. However, if provided in  
 334 electronic form, the supervising entity shall implement a supplemental education program  
 335 regarding the portable electronics insurance that is conducted and overseen by a licensed  
 336 instructor.

337 ~~(6)~~(13) No prelicensing examination shall be required for issuance of such license.

338 (14) If a vendor or its employee or authorized representative violates any provision of  
 339 this subsection, the commissioner may impose any of the following penalties:

340 (A) After notice and hearing, fines not to exceed \$500.00 per violation or \$5,000.00 in  
 341 the aggregate for such conduct;

342 (B) After notice and hearing, other penalties that the commissioner deems necessary  
 343 and reasonable to carry out the purpose of this article, including:

344 (i) Suspending the privilege of transacting portable electronics insurance pursuant to  
 345 this subsection at specific business locations where violations have occurred; and

346 (ii) Suspending or revoking the ability of individual employees or authorized  
 347 representatives to act under the license;

348 (15) Notwithstanding any other provision of law:

349 (A) An insurer may terminate or otherwise change the terms and conditions of a policy  
 350 of portable electronics insurance only upon providing the policyholder and enrolled  
 351 customers with at least 60 days notice;

352 (B) If the insurer changes the terms and conditions, then the insurer shall provide the  
 353 vendor with a revised policy or endorsement and each enrolled customer with a revised  
 354 certificate, endorsement, updated brochure, or other evidence indicating a change in the  
 355 terms and conditions has occurred and a summary of material changes;

356 (C) Notwithstanding paragraph (15) of subsection (a) of this Code section, an insurer  
 357 may terminate an enrolled customer's enrollment under a portable electronics insurance  
 358 policy upon 15 days notice for discovery of fraud or material misrepresentation in  
 359 obtaining coverage or in the presentation of a claim;

360 (D) Notwithstanding paragraph (15) of subsection (a) of this Code section, an insurer  
 361 may immediately terminate an enrolled customer's enrollment under a portable  
 362 electronics insurance policy:

363 (i) For nonpayment of premium;

364 (ii) If the enrolled customer ceases to have an active service with the vendor of  
 365 portable electronics; or

366 (iii) If the enrolled customer exhausts the aggregate limit of liability, if any, under the  
367 terms of the portable electronics insurance policy and the insurer sends notice of  
368 termination to the enrolled customer within 30 calendar days after exhaustion of the  
369 limit. However, if notice is not timely sent, enrollment shall continue notwithstanding  
370 the aggregate limit of liability until the insurer sends notice of termination to the  
371 enrolled customer; and

372 (E) Where a portable electronics insurance policy is terminated by a policyholder, the  
373 vendor shall mail or deliver written notice to each enrolled customer advising the  
374 enrolled customer of the termination of the policy and the effective date of termination.  
375 The written notice shall be mailed or delivered to the enrolled customer at least 30 days  
376 prior to the termination.

377 (16) Whenever notice or correspondence with respect to a policy of portable electronics  
378 insurance is required pursuant to this subsection or is otherwise required by law, it shall  
379 be in writing and sent within the notice period, if any, specified within the statute or  
380 regulation requiring the notice or correspondence. Notwithstanding any other provision  
381 of law, notices and correspondence may be sent either by mail or by electronic means as  
382 set forth in this subparagraph. If the notice or correspondence is mailed, it shall be sent  
383 to the vendor of portable electronics at the vendor's mailing address specified for such  
384 purpose and to its affected enrolled customers' last known mailing addresses on file with  
385 the insurer. The insurer or vendor of portable electronics, as the case may be, shall  
386 maintain proof of mailing in a form authorized or accepted by the United States Postal  
387 Service or other commercial mail delivery service. If the notice or correspondence is  
388 sent by electronic means, it shall be sent to the vendor of portable electronics at the  
389 vendor's electronic mail address specified for such purpose and to its affected enrolled  
390 customers' last known electronic mail address as provided by each enrolled customer to  
391 the insurer or vendor of portable electronics, as the case may be. For purposes of this  
392 paragraph, an enrolled customer's provision of an electronic mail address to the insurer  
393 or vendor of portable electronics, as the case may be, shall be deemed as consent to  
394 receive notices and correspondence by electronic means. The insurer or vendor of  
395 portable electronics, as the case may be, shall maintain proof that the notice or  
396 correspondence was sent.

397 (17) Notice or correspondence required by this subsection or otherwise required by law  
398 may be sent on behalf of an insurer or vendor, as the case may be, by the supervising  
399 entity appointed by the insurer."

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**SECTION 4.**

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

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

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

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

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

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**SECTION 5.**

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Said title is further amended by revising paragraph (7) of subsection (a) of Code Section 33-23-1, relating to definitions, as follows:

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"(7) 'Home state' means Canada, the District of Columbia, and any state or territory of the United States in which an insurance producer or adjuster maintains his or her principal place of residence or principal place of business and is licensed to act as an insurance producer or adjuster."

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**SECTION 6.**

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Said title is further amended by deleting "or" at the end of paragraph (6) of subsection (b) of Code Section 33-23-1, relating to definitions; by deleting the period at the end of paragraph (7) of such subsection and inserting "; or"; and by adding a new paragraph at the end of such subsection to read as follows:

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

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**SECTION 7.**

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Said title is further amended by adding a new subsection to Code Section 33-23-5, relating to the qualifications and requirements for a license, to read as follows:

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433 "(d) Notwithstanding paragraph (1) of subsection (a) of this Code section, no resident of  
434 Canada may be licensed as an independent adjuster pursuant to this Code section or  
435 designate Georgia as his or her home state unless such person has successfully passed the  
436 adjuster examination and has complied with other applicable portions of this Code section."

437 **SECTION 8.**

438 Said title is further amended by revising subsection (h) of Code Section 33-23-16, relating  
439 to licensing of nonresidents, as follows:

440 "(h) Applicants whose home state does not require a license to transact business may be  
441 licensed in this state, provided that the applicant takes the examination issued by the  
442 Commissioner where required pursuant to this chapter and the applicant submits written  
443 documentation from his or her resident state demonstrating the lack of licensing  
444 requirement and the state's reciprocity with residents from this state. If the resident state  
445 does not license independent adjusters, the independent adjuster shall designate as his or  
446 her home state any state in which the independent adjuster is licensed and in good  
447 standing."

448 **SECTION 9.**

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

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

453 **SECTION 10.**

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