

House Bill 838

By: Representatives Blackmon of the 146th, Meadows of the 5th, Epps of the 144th, Rhodes of the 120th, Smith of the 134th, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to
2 insurance general provisions, so as to provide that carriers that sell certain health insurance
3 plans in this state through an agent shall compensate such agent a minimum of 5 percent of
4 the collected premiums; to provide for exceptions; to provide for definitions; to provide for
5 related matters; to provide for an effective date; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance
10 general provisions, is amended by adding a new Code section to read as follows:

11 "33-24-59.20.

12 (a) As used in this Code section, the term:

13 (1) 'Agent' means an individual appointed or employed by an insurer who sells, solicits,
14 or negotiates insurance. Agent also means an individual insurance producer.

15 (2) 'Carrier' means any entity that provides health insurance to employers in this state.
16 For the purposes of this Code section, carrier includes an insurance company, hospital or
17 medical service corporation, health care plan as defined in Code Section 33-20-3,
18 fraternal benefit society, health maintenance organization, or any other licensed entity
19 providing a plan of health insurance or health benefits subject to state insurance
20 regulation.

21 (3) 'Health benefit plan' means any hospital or medical insurance policy or certificate,
22 health care plan contract or certificate, qualified higher deductible health plan, or health
23 maintenance organization subscriber contract. Health benefit plan does not include
24 policies issued in accordance with Chapter 31 of this title; disability income policies;
25 policies issued in accordance with Code Section 34-9-14 or 34-9-122.1; limited accident
26 and sickness insurance policies such as credit, dental, vision, medicare supplement,

27 long-term care, hospital indemnity, or specified disease insurance; coverage issued as a
28 supplement to liability insurance; workers' compensation or similar insurance; or
29 automobile medical payment insurance.

30 (4) 'Premium' means all moneys paid by an employer and eligible employees as a
31 condition of receiving coverage from a carrier, including any fees or other contributions
32 associated with the health benefit plan. Premiums shall not include fees for membership
33 in the cooperative.

34 (5) 'Large employer' means any person, firm, corporation, partnership association,
35 political subdivision, or sole proprietor that is actively engaged in a business that, at the
36 time of a health benefit plan application, employed more than 50 eligible employees on
37 at least 50 percent of its working days during the preceding calendar quarter and for
38 which exists a bona fide employer-employee relationship.

39 (b) Any carrier that issues a health benefit plan through an agent in this state shall fairly
40 compensate such agent for his or her ongoing services. Each carrier that issues, enrolls, or
41 delivers health benefit plans through an agent in this state who reviews coverage and
42 provides ongoing customer service shall compensate such agent a minimum of 5 percent
43 of collected premiums. This compensation shall be a minimum of 5 percent of the carrier's
44 collection of premiums for the life of each policy which shall include the first year and
45 each renewal contract year thereafter.

46 (c) This Code section does not apply to health benefit plans sold through agents to large
47 employers in this state as defined and described in this Code section.

48 (d) In order to determine whether an employer qualifies as a large employer under this
49 Code section:

50 (1) Companies that are affiliated companies or companies that are eligible to file a
51 combined tax return for purposes of state taxation shall be considered one employer; and

52 (2) The size of an employer shall be determined annually prior to the issuance of a health
53 benefit plan.

54 (e) This Code section shall apply until the plan anniversary following the date the large
55 employer no longer meets the requirement of this Code section. Nothing in this Code
56 section shall be construed to prohibit a carrier from including self-employed individuals
57 in the carrier's definition of large employer."

58 **SECTION 2.**

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

61

SECTION 3.

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