

The House Committee on Insurance offers the following substitute to HB 146:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 25-3-23 of the Official Code of Georgia Annotated, relating to  
2 general requirements for legally organized fire departments, so as to require such fire  
3 departments to provide and maintain certain insurance coverage for firefighters; to provide  
4 methods for funding; to provide for rules and regulations; to amend Chapter 85 of Title 36  
5 of the Official Code of Georgia Annotated, relating to interlocal risk management agencies,  
6 so as to change certain provisions relating to definitions; to change certain provisions relating  
7 to formation and functions of such agencies; to change certain provisions relating to  
8 certificates of authority and applications; to amend Code Section 48-7-27 of the Official  
9 Code of Georgia Annotated, relating to computation of Georgia taxable net income, so as to  
10 provide an exemption for benefits received from and a deduction for premiums paid for said  
11 insurance coverage for firefighters; to provide an effective date; to repeal conflicting laws;  
12 and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 style="text-align:center">**SECTION 1.**

15 Code Section 25-3-23 of the Official Code of Georgia Annotated, relating to general  
16 requirements for legally organized fire departments, is amended by revising subsections (b)  
17 and (c) as follows:

18 "(b)(1) A legally organized fire department shall ~~purchase~~ provide and maintain  
19 sufficient insurance coverage on each member of the fire department to pay claims for  
20 injuries sustained en route to, during, and returning from fire calls or other emergencies  
21 and disasters and scheduled training sessions.

22 (2)(A) As used in this paragraph, the term 'cancer' means bladder, blood, brain, breast,  
23 cervical, esophageal, intestinal, kidney, lymphatic, lung, prostate, rectum, respiratory  
24 tract, skin, testicular, and thyroid cancer; leukemia; multiple myeloma; or  
25 non-Hodgkin's lymphoma.

26 (B) On and after January 1, 2018, a legally organized fire department shall provide and  
27 maintain sufficient insurance coverage on each member of the fire department who is  
28 a firefighter to pay claims for cancer diagnosed after having served 12 consecutive  
29 months as a firefighter with such fire department. Such insurance benefits shall include  
30 at minimum the following:

31 (i) A lump sum benefit of \$25,000.00 payable to such member upon his or her  
32 submission of acceptable proof of such diagnosis to the fire department. The benefit  
33 under this division shall be subordinate to any government health insurance benefit  
34 actually paid on behalf of, or as reimbursement to, the member for treatment of such  
35 cancer and shall be limited to the difference between the amount of such other paid  
36 benefit and the amount specified under this division; and

37 (ii) If as a result of such cancerous condition or treatment therefor he or she is unable  
38 to perform his or her duties as a firefighter, then:

39 (I) A monthly benefit equal to 60 percent of the member's monthly salary at the  
40 time of diagnosis or a monthly benefit of \$5,000.00, whichever is less, to begin six  
41 months after submission of acceptable proof of such diagnosis to the fire department  
42 and continuing thereafter for a total of 36 consecutive monthly payments; or

43 (II) If the member is a volunteer, as such term is defined in Code Section 25-4-2,  
44 a monthly benefit of \$1,500.00, to begin six months after submission of acceptable  
45 proof of such diagnosis to the fire department and continuing thereafter for a total  
46 of 36 consecutive monthly payments.

47 The benefit under subdivision (I) or (II) of this division, as applicable, shall be  
48 subordinate to any other benefit actually paid to the firefighter for such disability from  
49 any other source, not including private insurance, and shall be limited to the  
50 difference between the amount of such other paid benefit and the amount specified  
51 under subdivision (I) or (II) of this division, as applicable.

52 (C) Any person who was simultaneously a member of more than one fire department  
53 at the time of diagnosis shall not be entitled to receive benefits under this paragraph  
54 from or on behalf of more than one of such fire departments. Any member who  
55 receives benefits under division (ii) of subparagraph (B) of this paragraph may be  
56 required to have his or her condition reevaluated; in the event any such reevaluation  
57 reveals that such person has regained the ability to perform duties as a firefighter, then  
58 his or her benefits under division (ii) of subparagraph (B) of this paragraph shall cease.  
59 Benefits under said division shall also cease upon the death of such person. A member  
60 who departs from employment or retires after at least one year as a firefighter shall be  
61 entitled to continue his or her coverages under this paragraph through a continuation

62 or conversion to individual coverage by the insurer. The departing member shall be  
 63 responsible for payment of all premiums.

64 (D) In addition to any other purpose authorized under Chapter 8 of Title 33, county  
 65 governing authorities and municipal governing authorities may use proceeds from  
 66 county and municipal taxes imposed under said chapter for purposes of providing  
 67 insurance pursuant to this paragraph.

68 (E) Funds received as premiums for the coverages specified in this paragraph shall not  
 69 be subject to premium taxes under Chapter 8 of Title 33.

70 (F) The computation of premium amounts by an insurer for the coverages under this  
 71 paragraph shall be subject to generally accepted adjustments from insurance  
 72 underwriting.

73 (c) ~~On and after July 1, 1998, the~~ The Georgia Firefighter Standards and Training Council  
 74 shall be authorized, by rules and regulations, to adopt such rules and regulations as are  
 75 reasonable and necessary to implement the provisions of this Code section and to establish  
 76 and modify minimum requirements for all fire departments operating in this state, provided  
 77 that such requirements are equal to or exceed the requirements provided in subsections (a)  
 78 and (b) of this Code section."

79 **SECTION 2.**

80 Chapter 85 of Title 36 of the Official Code of Georgia Annotated, relating to interlocal risk  
 81 management agencies, is amended in Code Section 36-85-1, relating to definitions, by  
 82 revising paragraphs (6) and (8) as follows:

83 "(6) 'Group self-insurance fund' or 'fund' means a pool of public moneys established by  
 84 an interlocal risk management agency from contributions of its members in order to pool  
 85 the risks of accident, disability, general liability, motor vehicle liability, property damage,  
 86 or any combination of such risks."

87 "(8) 'Interlocal risk management program' means a plan and activities carried out under  
 88 such plan by an interlocal risk management agency to reduce risk of loss on account of  
 89 accident, disability, general liability, motor vehicle liability, or property damage,  
 90 including safety engineering and other loss prevention and control techniques, and to  
 91 administer one or more group self-insurance funds, including the processing and defense  
 92 of claims brought against members of the agency."

93 **SECTION 3.**

94 Said chapter is further amended in Code Section 36-85-2, relating to the formation and  
 95 functions of interlocal risk management agencies, by revising paragraph (4) of subsection (a)  
 96 as follows:

97 "(4) Jointly purchase accident, disability, general liability, motor vehicle liability, or  
 98 property damage insurance with other municipalities or counties participating in and  
 99 belonging to the interlocal risk management agency, the participating municipalities or  
 100 counties to be coinsured under a master policy or policies with the total premium  
 101 apportioned among such participants."

#### 102 SECTION 4.

103 Said title is further amended in Code Section 36-85-5, relating to certificates of authority and  
 104 applications, by revising subsection (d) as follows:

105 "(d) A fund authorized by this chapter may be established by an agency only if the agency  
 106 has enrolled members which:

107 (1) For each motor vehicle liability and general liability fund shall generate an annual  
 108 gross premium of not less than \$300,000.00;

109 (2) For each property damage fund shall generate an annual gross premium of not less  
 110 than \$200,000.00;

111 (3) For each fund which includes motor vehicle liability or general liability with property  
 112 damage shall generate an annual gross premium of not less than \$500,000.00; ~~or~~

113 (4) For each fund which includes motor vehicle liability, general liability, and property  
 114 damage shall generate an annual gross premium of not less than \$800,000.00; ~~or~~

115 (5) For each fund which includes accident or disability coverage shall generate an annual  
 116 gross premium of not less than \$500,000.00."

#### 117 SECTION 5.

118 Code Section 48-7-27 of the Official Code of Georgia Annotated, relating to computation of  
 119 Georgia taxable net income, is amended in subsection (a) by adding new paragraph to read  
 120 as follows:

121 "(12.2) Payments received by a firefighter pursuant to paragraph (2) of subsection (b) of  
 122 Code Section 25-3-23, to any extent such amounts are included in the taxpayer's federal  
 123 adjusted gross income and are not otherwise exempt under any other provision of this  
 124 Code section;

125 (12.3) An amount equal to 100 percent of any premium paid by the individual taxpayer  
 126 during the taxable year for coverage pursuant to paragraph (2) of subsection (b) of Code  
 127 Section 25-3-23, to any extent such deduction has not been included in the taxpayer's  
 128 federal adjusted gross income and such amount is not otherwise deductible under any  
 129 other provision of this Code section;"

130 **SECTION 6.**

131 This Act shall become effective on January 1, 2018.

132 **SECTION 7.**

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