

House Bill 734

By: Representatives Smith of the 134<sup>th</sup>, Lumsden of the 12<sup>th</sup>, Taylor of the 173<sup>rd</sup>, and Caldwell of the 131<sup>st</sup>

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 modernization and updates; to amend various provisions of the Official Code of  
3 Georgia Annotated for purposes of conformity; to repeal Article 2 of Chapter 29A, relating  
4 to the Commission on the Georgia Health Insurance Risk Pool; to provide for any assets,  
5 liabilities, and obligations thereof; to provide for related matters; to repeal conflicting laws;  
6 and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **PART I**  
9 **SECTION 1-1.**

10 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
11 revising Code Section 33-1-2, relating to definitions, as follows:

12 "33-1-2.

13 As used in this title, the term:

14 (1) 'Commissioner of Insurance' or 'Commissioner' means the Commissioner of  
15 Insurance of the State of Georgia.

16 (2) 'Department of Insurance' or 'department' means the Department of Insurance  
17 established by Code Section 33-2-1.

18 ~~(1.1)~~(3) 'Health benefit policy,' 'health benefit plan,' or other similar terms ~~do~~ shall not  
19 include limited benefit insurance policies designed, advertised, and marketed to  
20 supplement major medical insurance such as accident only, ~~Champus~~ CHAMPUS  
21 supplement, dental, disability income, fixed indemnity, long-term care, ~~Medicare~~  
22 medicare supplement, specified disease, vision, and any other type of accident and  
23 sickness insurance other than basic hospital expense, basic medical-surgical expense, or  
24 major medical insurance.

25 ~~(2)~~(4) 'Insurance' means a contract which is an integral part of a plan for distributing  
 26 individual losses whereby one undertakes to indemnify another or to pay a specified  
 27 amount or benefits upon determinable contingencies.

28 ~~(3) 'Insurance Department' or 'department' means the Insurance Department established~~  
 29 ~~by Code Section 33-2-1.~~

30 ~~(4)~~(5) 'Insurer' means any person engaged as indemnitor, surety, or contractor who issues  
 31 insurance, annuity or endowment contracts, subscriber certificates, or other contracts of  
 32 insurance by whatever name called. Burial associations, health care plans, and health  
 33 maintenance organizations are insurers within the meaning of this title.

34 ~~(4.1)~~(6) 'Natural person' means an individual human being and does not include any firm,  
 35 partnership, association, corporation, or trust.

36 ~~(5)~~(7) 'Person' means an individual, insurer, company, association, trade association,  
 37 organization, society, reciprocal or interinsurance exchange, partnership, syndicate,  
 38 business trust, corporation, Lloyd's association, and associations, groups, or department  
 39 of underwriters, and any other legal entity.

40 ~~(5.1)~~(8) 'Security,' 'security deposit,' 'special deposit,' or 'deposit,' when used to refer to  
 41 posted deposits required to be placed in the possession of the Commissioner, shall mean  
 42 the actual physical evidence of a security, such as a certificate, or an entry made through  
 43 the federal reserve book-entry system. The federal reserve book-entry system shall be  
 44 limited in meaning to the computerized systems sponsored by the United States  
 45 Department of Treasury and certain agencies and instrumentalities of the United States  
 46 for holding and transferring securities of the United States government and such agencies  
 47 and instrumentalities, respectively, in federal reserve banks through banks which are  
 48 members of the Federal Reserve System or which otherwise have access to such  
 49 computerized systems.

50 ~~(6)~~(9) 'Transact,' with respect to insurance, includes any of the following:

- 51 (A) Solicitation and inducement;
- 52 (B) Preliminary negotiations;
- 53 (C) Effectuation of a contract of insurance; or
- 54 (D) Transaction of matters subsequent to effectuation of the contract and arising out  
 55 of it."

## 56 **SECTION 1-2.**

57 Said title is further amended by repealing Code Section 33-1-3, relating to application of title  
 58 to fraternal benefit societies and farmers' mutual fire insurance companies, and designating  
 59 said Code section as reserved.

60 **SECTION 1-3.**

61 Said title is further amended by revising Code Section 33-1-7, relating to issuance or delivery  
62 of policy in violation of title, as follows:

63 "33-1-7.

64 Any insurer, or any officer or agent thereof, issuing or delivering to any person in this state  
65 any policy in violation of any provision of this title shall be guilty of a misdemeanor,  
66 except as otherwise provided."

67 **SECTION 1-4.**

68 Said title is further amended by revising Code Section 33-1-8, relating to making of false  
69 statements and reporting of such statements, as follows:

70 "33-1-8.

71 Any director, officer, agent, or employee of any insurance company who willfully and  
72 knowingly subscribes, makes, or concurs in making any annual or other statement required  
73 by law containing any material statement which is false shall be guilty of a misdemeanor.  
74 It shall be the duty of the Commissioner to report all such misrepresentations and false  
75 statements to the ~~district~~ appropriate prosecuting attorney of the circuit or county in which  
76 they shall occur, except as otherwise provided."

77 **SECTION 1-5.**

78 Said title is further amended by revising Code Section 33-1-13, relating to receiving of  
79 compensation from undertakers on account of employment and giving of compensation by  
80 undertakers, as follows:

81 "33-1-13.

82 No person, firm, or corporation engaged in the life insurance business ~~or the industrial life~~  
83 ~~insurance business~~ shall contract for or receive any compensation or gratuity, directly or  
84 indirectly, on account of the employment of any undertaker in connection with a burial or  
85 preparation for burial of any person whose life is insured by said company; and no  
86 undertaker shall give or agree to give any such compensation or commission to such  
87 person, firm, or corporation engaged in the insurance business."

88 **SECTION 1-6.**

89 Said title is further amended in Code Section 33-1-14, relating to regulation of certain  
90 persons providing coverage for medical or dental services, by revising subsections (a) and  
91 (f) as follows:

92 "(a) Notwithstanding any other provision of law and except as provided in this Code  
93 section, any person, other than an authorized insurer, the state and its instrumentalities, or

94 political subdivisions of the state and their instrumentalities, who provides coverage in this  
 95 state for medical, surgical, chiropractic, physical therapy, optometry, speech pathology,  
 96 podiatry, audiology, psychology, pharmaceutical, dental, or hospital services, whether such  
 97 coverage is by direct payment, reimbursement, or otherwise, shall be presumed to be  
 98 subject to the jurisdiction of the ~~Insurance~~ Department of Insurance, unless the person  
 99 shows that, while providing coverage for such services, such person is subject to the  
 100 jurisdiction of an insurance supervisory official of another state or specifically subject to  
 101 the exclusive jurisdiction of the federal government."

102 "(f) As used in this Code section, the term 'authorized insurer' means any insurer  
 103 authorized to sell accident and sickness policies, subscriber contracts, certificates, or  
 104 agreements of any form under Chapter 15, ~~18, 19,~~ 20, 21, 29, or 30 of this title."

105 **SECTION 1-7.**

106 Said title is further amended in Code Section 33-1-17, relating to Special Insurance Fraud  
 107 Fund, by revising subsection (c) as follows:

108 "(c)(1) The Commissioner shall prepare, on an annual basis, a separate budget request  
 109 to the General Assembly which sets forth the anticipated cost and expense of funding the  
 110 investigation and prosecution of insurance fraud in this state for the ensuing 12 months.  
 111 ~~Beginning with the year 1997, such~~ Such budget request shall set forth the annual cost  
 112 and expense of the investigation and prosecution of insurance fraud in Georgia for the  
 113 preceding 12 months.

114 (2) There is imposed upon each foreign, alien, and domestic insurance company doing  
 115 business in the state an annual assessment under a formula to be established by regulation  
 116 promulgated by the Commissioner. The formula shall be calculated such that the total  
 117 proceeds paid or collected from such assessments for any year shall not exceed the  
 118 amounts appropriated by the General Assembly pursuant to paragraph (3) of this  
 119 subsection, which appropriation shall be based upon the budget request setting forth the  
 120 applicable annual cost and expense of the investigation and prosecution of insurance  
 121 fraud in Georgia submitted by the Commissioner. Such assessments may be measured  
 122 by kind of company, kind of insurance, income, volume of transactions, or such other  
 123 factors as the Commissioner determines appropriate. Assessments shall be due and  
 124 payable for each calendar quarter at the times specified in subsection (b) of Code Section  
 125 33-8-6. Any insurance company which fails to report and pay any installment of such  
 126 assessment shall be subject to penalties and interest as provided by subsection (d) of Code  
 127 Section 33-8-6. The Commissioner shall provide by regulation for such other terms and  
 128 conditions for the payment or collection of such assessments as may be necessary to  
 129 ensure the proper payment and collection thereof.

130 (3) The General Assembly may appropriate funds to the ~~Insurance Department funds~~  
 131 department for the investigation of insurance fraud and for the funding of the prosecution  
 132 of insurance fraud. The Commissioner is authorized to use such funds for investigation  
 133 of insurance fraud and to reimburse prosecuting attorneys for some or all of the costs of  
 134 retaining assistant prosecuting attorneys to prosecute insurance fraud cases. The  
 135 Commissioner shall provide by regulation for such other terms and conditions for the use  
 136 of the funds for the investigation, reimbursement, and prosecution contemplated by the  
 137 terms of this paragraph."

138 **SECTION 1-8.**

139 Said title is further amended by revising Code Section 33-1-19, relating to Special Advisory  
 140 Commission on Mandated Health Insurance Benefits, as follows:

141 "33-1-19.

142 (a) The Special Advisory Commission on Mandated Health Insurance Benefits is hereby  
 143 established, effective February 1, 2012, to advise the Governor and the General Assembly  
 144 on the social and financial impact of current and proposed mandated benefits and  
 145 providers, in the manner set forth in this Code section. The advisory commission shall be  
 146 composed of 20 members and three ex officio members. Sixteen members shall be  
 147 appointed by the Governor on or after February 1, 2012, as follows: one dentist, one  
 148 obstetrician, one pediatrician, one family practice physician, one physician who is a  
 149 specialist in chronic disease, one chief medical officer of a general; acute care hospital, one  
 150 allied health professional, two representatives of small business, two representatives of a  
 151 major industry, one expert in the field of medical ethics, one representative of the accident  
 152 and health insurance industry, one representative from the Georgia Association of Health  
 153 Plans, and two citizen members. The Senate Committee on Assignments shall appoint one  
 154 member from the Senate Health and Human Services Committee and one member from the  
 155 Senate Insurance and Labor Committee, and the Speaker of the House of Representatives  
 156 shall appoint one member from the House Committee on Health and Human Services and  
 157 one member from the House Committee on Insurance. The commissioner of community  
 158 health, the Commissioner of Labor, and the Commissioner of Insurance shall serve as ex  
 159 officio, nonvoting members. All members shall be appointed for terms of four years each,  
 160 except that appointments to fill vacancies shall be made for the unexpired terms.

161 (b) No person shall be eligible to serve for or during more than two successive four-year  
 162 terms; but after the expiration of a term of two years or less, or after the expiration of the  
 163 remainder of a term to which appointed to fill a vacancy, two additional four-year terms  
 164 may be served by such a member if so appointed.

165 (c) The advisory commission shall meet regularly and at the request of the Governor. The  
166 first meeting of the advisory commission shall be held no later than March 1, 2012, at  
167 which time the advisory commission shall select a chairperson and a vice chairperson, as  
168 determined by the membership.

169 (d) The advisory commission shall:

170 (1) Develop and maintain, with the ~~Insurance Department~~ department, a system and  
171 program of data collection to assess the impact of mandated benefits and providers,  
172 including costs to employers and insurers, impact of treatment, cost savings in the health  
173 care system, number of providers, and other data as may be appropriate;

174 (2) Advise and assist the ~~Insurance Department~~ department on matters relating to  
175 mandated insurance benefits and provider regulations;

176 (3) Prescribe the format, content, and timing of information to be submitted to the  
177 advisory commission in its assessment of proposed and existing mandated benefits and  
178 providers. Such format, content, and timing requirements shall be binding upon all  
179 parties submitting information to the advisory commission in its assessment of proposed  
180 and existing mandated benefits and providers;

181 (4) Provide assessments of proposed and existing mandated benefits and providers and  
182 other studies of mandated benefits and provider issues as requested by the General  
183 Assembly;

184 (5) Provide additional information and recommendations, relating to any system of  
185 mandated health insurance benefits and providers, to the Governor and the General  
186 Assembly, upon request; and

187 (6) Report annually on its activities to the joint standing committees of the General  
188 Assembly having jurisdiction over insurance by December 1 of each year.

189 (e)(1) Whenever legislation containing a mandated health insurance benefit or provider  
190 is proposed, the standing committee of the General Assembly having jurisdiction over the  
191 proposal shall request that the advisory commission prepare and forward to the Governor  
192 and the General Assembly a study that assesses the social and financial impact and the  
193 medical efficacy of the proposed mandate. The advisory commission shall be given a  
194 period of six months, or until commencement of the next General Assembly, whichever  
195 is longer, to complete and submit its assessment.

196 (2) The advisory commission shall assess the social and financial impact and the medical  
197 efficacy of existing mandated benefits and providers in effect as of January 1, 2012. The  
198 advisory commission shall submit a schedule of evaluations to the standing committees  
199 of the General Assembly having jurisdiction over health insurance matters by May 1,  
200 2012, setting forth the dates by which particular mandates shall be evaluated by the

201 advisory commission. The evaluations shall be completed and submitted to such standing  
202 committees no later than December 31, 2012.

203 (f) The ~~Insurance~~ Department of Insurance, the Department of Labor, the Department of  
204 Community Health, and such other state agencies as may be considered appropriate by the  
205 advisory commission shall provide staff assistance to the advisory commission."

206 **SECTION 1-9.**

207 Said title is further amended by revising Code Section 33-2-1, relating to creation of the  
208 department, Commissioner chief officer of department, and powers and duties of department  
209 and Commissioner generally, as follows:

210 "33-2-1.

211 There is created the ~~Insurance~~ Department of Insurance of the State of Georgia. The chief  
212 officer of such department shall be the Commissioner of Insurance. The purpose and  
213 function of the department and the duties and powers of the Commissioner shall be those  
214 created and vested by this title."

215 **SECTION 1-10.**

216 Said title is further amended by repealing Code Section 33-2-4, relating to appointment and  
217 removal of chief deputy insurance commissioner and other deputies, and designating said  
218 Code section as reserved.

219 **SECTION 1-11.**

220 Said title is further amended by repealing Code Section 33-2-8, relating to annual report of  
221 the Commissioner, and designating said Code section as reserved.

222 **SECTION 1-12.**

223 Said title is further amended by repealing Code Section 33-2-8.1, relating to purpose of Code  
224 section, preparation by Commissioner of supplemental report on property and casualty  
225 insurance, contents of report, and request for information.

226 **SECTION 1-13.**

227 Said title is further amended by repealing Code Section 33-2-8.2, relating to Commissioner's  
228 quarterly report to legislative committees on insurance and contents.

229 **SECTION 1-14.**

230 Said title is further amended by repealing Code Section 33-2-33, relating to list of written  
231 requests for assistance by citizens against insurers, and designating said Code section as  
232 reserved.

233 **SECTION 1-15.**

234 Said title is further amended by revising Code Section 33-3-4, relating to kinds of insurance  
235 in which insurers may transact, as follows:

236 "33-3-4.

237 An insurer which otherwise qualifies to transact insurance in Georgia may be authorized  
238 to transact any one kind or combination of kinds of insurance as defined in Chapter 7 of  
239 this title except:

240 (1) A reciprocal insurer shall not transact life insurance;

241 (2) A Lloyd's insurer shall not transact life insurance; and

242 (3) A title insurer shall be a stock insurer and shall be authorized to transact only title  
243 insurance and closing protection letters, pursuant to Code Section 33-7-8.1, ~~except that,~~  
244 ~~if immediately prior to January 1, 1961, any title insurer lawfully held a subsisting~~  
245 ~~certificate of authority granting it the right to transact in Georgia additional classes of~~  
246 ~~insurance other than title insurance, so long as the insurer is otherwise in compliance with~~  
247 ~~this title, the Commissioner shall continue to authorize such insurer to transact the same~~  
248 ~~classes of insurance as those specified in such prior certificate of authority."~~

249 **SECTION 1-16.**

250 Said title is further amended by revising Code Section 33-3-5, relating to classification of  
251 kinds of insurance, as follows:

252 "33-3-5.

253 For the purpose of this chapter, the kinds of insurance defined in Chapter 7 of this title shall  
254 be arranged in the following six classes:

255 (1) Life, accident, and sickness;

256 (2) Property, marine, and transportation;

257 (3) Casualty;

258 (4) Surety;

259 (5) Title; and

260 (6) Health ~~Maintenance Organization~~ maintenance organization.

261 Each of the groups numbered (1) through (6) shall constitute a class of insurance."



262 **SECTION 1-17.**

263 Said title is further amended by revising Code Section 33-3-9, relating to requirement of  
 264 additional deposits of securities by foreign and alien insurers, as follows:

265 "33-3-9.

266 ~~On and after July 1, 1967, in~~ In those instances in which the Commissioner in his or her  
 267 judgment shall deem it to be in the best interests of the citizens of this state, no certificate  
 268 of authority shall be issued by the Commissioner to any foreign and alien insurer nor shall  
 269 any certificate of authority be renewed for any such insurer unless such insurer shall  
 270 deposit with the Commissioner securities eligible for the investment of capital funds in  
 271 such amount as the Commissioner shall require. This deposit and the deposit required by  
 272 paragraph (1) of subsection (b) of Code Section 33-3-8 shall be administered as provided  
 273 for in Chapter 12 of this title. Deposits under this Code section shall be held for the  
 274 protection of the insurer's policyholders in this state and others in this state entitled to the  
 275 proceeds of its policies."

276 **SECTION 1-18.**

277 Said title is further amended in Code Section 33-3-20, relating to imposition of  
 278 administrative fine upon insurer for certain acts of officers, employees, agents, or  
 279 representatives, by revising subsection (c) as follows:

280 "(c) For the purposes of this Code section, the term 'insurer' shall include any insurer,  
 281 nonprofit organization, or any other person authorized to sell accident and sickness  
 282 insurance policies, subscriber contracts, certificates, or agreements of any form under  
 283 Chapter 15, ~~18, 19,~~ 20, 21, 29, or 30 of this title."

284 **SECTION 1-19.**

285 Said title is further amended by revising Code Section 33-3-21, relating to reports of business  
 286 affairs and operations of insurers generally, as follows:

287 "33-3-21.

288 On or before March 1 in each year after it shall have commenced to do business pursuant  
 289 to a certificate of authority, every insurer shall make and file with the Commissioner ~~of~~  
 290 ~~Insurance~~ a report of its affairs and operations during the year ending on December 31 of  
 291 the preceding year. This annual report shall be made in such form and contain such  
 292 information as the Commissioner may prescribe by regulation from time to time and may  
 293 require in protecting the public interest, the interest of the policyholders of any insurer, and  
 294 the interest of the investors in the securities issued by any insurer. The Commissioner may  
 295 require by regulation any additional periodic reports as he or she may prescribe from time  
 296 to time as necessary or appropriate for the protection of policyholders, investors, and the

297 public and necessary to ensure the solvency of any insurer, to inform and protect the  
 298 investors in any insurer, and to assure fair dealing in the securities of any insurer. The  
 299 Commissioner may require that the reports be verified under oath by any appropriate  
 300 officers or agents as he or she may designate by regulation and may require the same to be  
 301 published. Compliance with this Code section shall be a condition to the renewal of a  
 302 certificate of authority under Code Section 33-3-16."

303 **SECTION 1-20.**

304 Said title is further amended in Code Section 33-3-23, relating to restrictions as to transaction  
 305 of insurance by lending institutions and bank holding companies, by revising subsection (b)  
 306 as follows:

307 "(b) A lending institution, bank holding company, or subsidiary or affiliate of either of the  
 308 foregoing doing business in this state, or any officer or employee of any of the foregoing,  
 309 may be licensed to sell insurance, including but not limited to credit insurance, in this state  
 310 and may engage in underwriting and act as an underwriter for credit life insurance and  
 311 credit accident and sickness insurance subject to the provisions of this title and in  
 312 conformity with rules and regulations promulgated by the Commissioner ~~of Insurance.~~"

313 **SECTION 1-21.**

314 Said title is further amended by revising Code Section 33-3-25, relating to language  
 315 simplification and reading ease standards and applicability of Code section, as follows:

316 "33-3-25.

317 (a) All homeowner's insurance policies, including tenant homeowner's insurance policies,  
 318 personal automobile insurance policies, individual life or accident and sickness insurance  
 319 policies, all certificates of group life or accident and sickness insurance coverage, and all  
 320 coverage booklets provided by insurers to group life or accident and sickness insurance  
 321 certificate holders which are issued, delivered, or issued for delivery in this state on or after  
 322 July 1, 1988, shall be written in a simplified form, shall be divided into logically arranged,  
 323 captioned sections, and shall contain readable language which complies with the standards  
 324 prescribed in such rules and regulations as may be promulgated by the Commissioner ~~of~~  
 325 ~~Insurance~~ after due notice and hearing.

326 (b) In establishing the policy language simplification and reading ease standards for such  
 327 policies, certificates, and coverage booklets, the Commissioner ~~of Insurance~~ may utilize  
 328 a minimum score of 40 on the 'Flesch reading ease test' as the basic standard, or such other  
 329 nationally recognized reading ease standards or tests as would produce comparable policy  
 330 language simplification and readability results, and ~~he~~ may also provide for exceptions  
 331 thereto by appropriate rules and regulations.

332 (c) This Code section shall apply to all insurers issuing the kinds of insurance policies  
 333 described in subsection (a) of this Code section in this state, including all insurers,  
 334 nonprofit corporations, or other organizations issuing policies or contracts of life or  
 335 accident and sickness coverage under Chapter 15, ~~18, 19~~, 20, 21, 29, or 30 of this title."

336 **SECTION 1-22.**

337 Said title is further amended in Code Section 33-4-7, relating to affirmative duty to fairly and  
 338 promptly adjust in incidents covered by motor vehicle liability policies, actions for bad faith,  
 339 and notice to Commissioner of Insurance and consumers' insurance advocate, by revising  
 340 subsection (g) as follows:

341 "(g) In any action brought pursuant to subsection (b) of this Code section, and within 20  
 342 days of bringing such action, the plaintiff shall, in addition to service of process in  
 343 accordance with Code Section 9-11-4, mail to the Commissioner of Insurance a copy of the  
 344 demand and complaint by first-class mail. Failure to comply with this subsection may be  
 345 cured by delivering same."

346 **SECTION 1-23.**

347 Said title is further amended in Code Section 33-5-1, relating to representation of  
 348 unauthorized insurers prohibited, by revising paragraph (6) of subsection (b) as follows:

349 "(6) Any insurance company or underwriter issuing contracts of insurance to nuclear  
 350 insureds, nor to any contract of insurance issued to any one or more nuclear insureds,  
 351 provided that such nuclear insured under a contract procured from an unauthorized  
 352 insurer shall pay to the Commissioner of Insurance before March 1 of the succeeding  
 353 calendar year following the year in which the insurance was so effectuated, continued,  
 354 or renewed, a premium receipts tax of 4 percent of the gross premiums charged for such  
 355 insurance. For the purposes of this paragraph, a 'nuclear insured' is an insured purchasing  
 356 policies of insurance on risks on its own nuclear generating plants and other facilities at  
 357 such plants in this state."

358 **SECTION 1-24.**

359 Said title is further amended in Code Section 33-5-2, relating to validity of contracts  
 360 effectuated by unauthorized insurers and dissemination of advertising for or on behalf of  
 361 unauthorized insurers, by revising subsection (b) as follows:

362 "(b) No publication published in this state or radio or television ~~broadcaster~~ broadcast or  
 363 any other agency or means for the dissemination of information operated or located in this  
 364 state shall publish, broadcast, or otherwise disseminate within this state advertising for or  
 365 on behalf of any insurer not then authorized to transact insurance in this state; provided,

366 however, that this subsection shall not apply as to publications published in this state  
 367 principally for circulation in other states, wherein advertising by or on behalf of such  
 368 unauthorized insurers is not expressly directed toward residents or subjects of insurance in  
 369 this state."

370 **SECTION 1-25.**

371 Said title is further amended in Code Section 33-5-20.1, relating to definitions, by revising  
 372 subparagraph (D) of paragraph (6) as follows:

373 "(D) The person has:

374 (i) At least seven years of experience in risk financing, claims administration, loss  
 375 prevention, risk and insurance coverage analysis, or purchasing commercial lines of  
 376 insurance;

377 (ii) Any one of the designations specified in subparagraph (C) of this paragraph; or

378 ~~(iii) At least ten years of experience in risk financing, claims administration, loss  
 379 prevention, risk and insurance coverage analysis, or purchasing commercial lines of  
 380 insurance; or~~

381 ~~(iv)~~(iii) A graduate degree from an accredited college or university in risk  
 382 management, business administration, finance, economics, or any other field  
 383 determined by a state insurance commissioner or other state regulatory official or  
 384 entity to demonstrate minimum competence in risk management."

385 **SECTION 1-26.**

386 Said title is further amended in Code Section 33-5-21, relating to authorization of  
 387 procurement of surplus line insurance, conditions, and procuring or placing nonadmitted  
 388 insurance for exempt commercial purchaser, by revising paragraph (4) of subsection (a) as  
 389 follows:

390 "(4) The insurance shall not be procured under this chapter for personal private passenger  
 391 motor vehicle coverage or residential dwelling property coverage unless such insurance  
 392 cannot be obtained from an authorized insurer."

393 **SECTION 1-27.**

394 Said title is further amended in Code Section 33-5-23, relating to revocation or suspension  
 395 of broker's license, by revising subsection (d) as follows:

396 "(d) No broker whose license has been so revoked shall again be so licensed within ~~two~~  
 397 five years thereafter nor until any penalties or delinquent taxes owing by him or her have  
 398 been paid."

399 **SECTION 1-28.**

400 Said title is further amended by revising Code Section 33-5-26, relating to endorsement of  
 401 insurance contract by broker, as follows:

402 "33-5-26.

403 (a) Every insurance contract procured and delivered as a surplus line coverage shall be  
 404 initialed by or bear the name of the surplus line broker who procured it and shall have  
 405 printed or stamped upon it the following: 'This contract is registered and delivered as a  
 406 surplus line coverage under the Surplus Line Insurance Law, O.C.G.A. Chapter 33-5.'

407 (b) No surplus lines policy or certificate in which the policy premium is \$5,000.00 per  
 408 annum or less shall be delivered in this state unless a standard disclosure form or brochure  
 409 explaining surplus lines insurance is attached to or made a part of the policy or certificate.  
 410 The Commissioner shall prescribe by rule or regulation the format and contents of such  
 411 form or brochure.

412 ~~(c) Pursuant to Code Section 33-2-9, the Commissioner may promulgate rules and~~  
 413 ~~regulations which are necessary to implement the provisions of this article."~~

414 **SECTION 1-29.**

415 Said title is further amended in Code Section 33-5-29, relating to filing of quarterly affidavits  
 416 by surplus line brokers and filing of reports of affairs and operations by brokers, by revising  
 417 subsection (a) as follows:

418 "(a) Each surplus line broker shall file with the Commissioner, on a quarterly basis, an  
 419 affidavit executed by the surplus line broker setting forth the facts referred to in Code  
 420 Section 33-5-21. Such affidavit shall furnish certificate or cover note number, name of  
 421 insured, the amount of the premium, the tax paid thereon, and any other information as the  
 422 Commissioner may require for all surplus line transactions in which premiums were paid  
 423 to the surplus line broker during the previous quarter. The quarterly affidavit shall be filed  
 424 with the Commissioner on or before the fifteenth day of April, July, October, and January.  
 425 Each surplus line broker shall remit a 4 percent tax on direct premiums written, as ~~defined~~  
 426 described in Code Section 33-5-31. The tax shall be remitted with the surplus line broker's  
 427 quarterly affidavit."

428 **SECTION 1-30.**

429 Said title is further amended in Code Section 33-5-33, relating to filing of report by persons  
 430 procuring insurance with unauthorized insurers and levy, collection, and disposition of tax  
 431 by persons procuring such insurance, by revising subsection (e) as follows:

432 "(e) This Code section shall not apply to life or accident and sickness ~~insurances~~  
 433 insurance."

434 **SECTION 1-31.**

435 Said title is further amended by revising Code Section 33-5-35, relating to applicability of  
436 article, as follows:

437 "33-5-35.

438 This article controlling the placing of insurance with unauthorized insurers shall not apply  
439 to reinsurance or to the following ~~insurances~~ insurance when so placed by licensed agents  
440 or brokers of this state:

- 441 (1) Insurance on property or operation of railroads engaged in interstate commerce; or  
442 (2) Insurance of aircraft owned or operated by manufacturers of aircraft or operated in  
443 scheduled interstate flight, or cargo of the aircraft, or against liability, other than workers'  
444 compensation and employer's liability, arising out of the ownership, maintenance, or use  
445 of the aircraft."

446 **SECTION 1-32.**

447 Said title is further amended by revising Code Section 33-5-40, relating to legislative  
448 findings for the Interstate Cooperation for Collection and Disbursement of Premium Taxes,  
449 as follows:

450 "33-5-40.

451 The General Assembly finds the federal Nonadmitted and Reinsurance Reform Act  
452 of 2010, which was incorporated into the federal Dodd-Frank Wall Street Reform and  
453 Consumer Protection Act, P.L. 111-203, provides that only an insured's home state may  
454 require premium tax payment for nonadmitted insurance and authorizes states to enter into  
455 a compact or otherwise establish procedures to allocate among the states the nonadmitted  
456 insurance premium taxes. The General Assembly further finds that as the states are still  
457 in flux as to which proposed plan is best for them to enter, or if any agreement should be  
458 entered into by the state, the Commissioner of Insurance is in a unique position to weigh  
459 these options and to determine what is in the best interest of the state financially.  
460 Therefore, the General Assembly acknowledges that some flexibility is necessary to  
461 determine that the best financial interests of the state are met."

462 **SECTION 1-33.**

463 Said title is further amended by revising Code Section 33-5-41, relating to Governor  
464 authorized to enter into cooperative agreement, compact, or reciprocal agreement for  
465 collection of insurance premium taxes, as follows:

466 "33-5-41.

467 The Governor, on behalf of the state, advised by and in consultation with the  
468 Commissioner of Insurance, is authorized to enter into a cooperative agreement, compact,

469 or reciprocal agreement with another state or states for the purpose of the collection of  
470 insurance premium taxes imposed by Code Sections 33-5-31 and 33-5-33."

471 **SECTION 1-34.**

472 Said title is further amended in Code Section 33-6-4, relating to enumeration of unfair  
473 methods of competition and unfair or deceptive acts or practices and penalty, by revising  
474 subparagraphs (b)(13)(C) and (b)(15)(I) as follows:

475 "(C) Making direct response advertising by an insurer, including radio or television  
476 advertisement, of any individual or group accident and sickness or life insurance policy  
477 where such advertisement has not been approved for use in this state by the  
478 Commissioner of Insurance;"

479 "(I) Any person issuing, delivering, or renewing a policy of insurance in this state at  
480 any time ~~within a period of 24 months after July 1, 2000~~, shall include with such policy  
481 or renewal certificate a notice attached thereto containing the following language:"

482 **SECTION 1-35.**

483 Said title is further amended in Code Section 33-6-5, relating to other unfair methods of  
484 competition and unfair and deceptive acts or practices, by revising subparagraph (C) of  
485 paragraph (4) and paragraph (14) as follows:

486 "(C) The restrictions and limitations of this paragraph shall not extend to life or  
487 accident and sickness insurance; nor shall they apply to any bona fide association group  
488 which is composed of members engaged in a common trade, business, or profession and  
489 which has had group insurance of the same type continuously in existence for at least  
490 five years ~~immediately preceding March 8, 1960~~;"

491 "(14) On and after July 1, 1992, no insurer, as defined in ~~paragraph (4) of~~ Code  
492 Section 33-1-2, shall issue, cause to be issued, renew, or provide coverage under any  
493 major medical insurance policy or plan containing a calendar year deductible or similar  
494 plan benefit period deductible which does not provide for a carry-over of the application  
495 of such deductible as provided in this paragraph. If all or any portion of an insured's or  
496 member's cash deductible for a calendar year or similar plan benefit period is applied  
497 against covered expenses incurred by the insured or member during the last three months  
498 of the deductible accumulation period, the insured's or member's cash deductible for the  
499 next ensuing calendar year or similar benefit plan period shall be reduced by the amount  
500 so applied. The provisions of this paragraph shall apply to major medical insurance  
501 policies or plans which have a benefit plan period of less than 24 months, except policies  
502 or plans designed and issued to be compatible with a health savings account as set out in  
503 26 U.S.C. Section 223 or a spending account as defined in Chapter 30B of this title."

504

**SECTION 1-36.**

505 Said title is further amended in Code Section 33-7-6, relating to property insurance, contract  
 506 requirements, rules and regulations, and exemptions, by revising subsections (d) and (f) as  
 507 follows:

508 "(d) The Commissioner shall ~~have the power and authority to~~ promulgate rules and  
 509 regulations regarding vehicle service agreements or extended warranty agreements as  
 510 described in paragraph (1) of subsection (b) of this Code section. Such rules and  
 511 regulations shall include filing requirements, disclosures for the benefit of the agreement  
 512 holder, record keeping, and procedures for public complaints. Such rules and regulations  
 513 shall also include the conditions under which surplus lines insurers may be rejected for the  
 514 purpose of underwriting vehicle service agreements and extended warranty agreements."

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

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

524 (2) Complies with the registration requirement prescribed by the Commissioner through  
 525 regulation;

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

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



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

542 **SECTION 1-37.**

543 Said title is further amended in Code Section 33-7-8.1, relating to closing protection letters,  
 544 definitions, premiums regarding such letters, maintenance of adequate reserves, and rules and  
 545 regulations, by revising subsection (e) as follows:

546 "(e) The Commissioner shall ~~be authorized to~~ promulgate rules and regulations necessary  
 547 to implement this Code section, which shall include, but shall not be limited to, prescribing  
 548 standard closing protection letter policy forms."

549 **SECTION 1-38.**

550 Said title is further amended in Code Section 33-7-11, relating to uninsured motorist  
 551 coverage under motor vehicle liability policies, by revising paragraphs (3) and (4) of  
 552 subsection (a), subparagraph(b)(1)(B), and subdivision (b)(1)(D)(ii)(III) as follows:

553 "(3) The coverage required under paragraph (1) of this subsection shall not be applicable  
 554 where any insured named in the policy shall reject the coverage in writing. The coverage  
 555 required under paragraph (1) of this subsection excludes umbrella or excess liability  
 556 policies unless affirmatively provided for in such policies or in a policy endorsement.  
 557 The coverage need not be provided in or supplemental to a renewal policy where the  
 558 named insured had rejected the coverage in connection with a policy previously issued  
 559 to said insured by the same insurer. ~~The amount of coverage need not be increased in a~~  
 560 ~~renewal policy from the amount shown on the declarations page for coverage existing~~  
 561 ~~prior to July 1, 2001.~~ The amount of coverage need not be increased from the amounts  
 562 shown on the declarations page on renewal once coverage is issued.

563 (4) The filing of a petition for relief in bankruptcy under a chapter of Title 11 of the  
 564 United States Code by an uninsured motorist as ~~defined~~ described in this Code section,  
 565 or the appointment of a trustee in bankruptcy for an uninsured motorist as ~~defined~~  
 566 described in this Code section, or the discharge in bankruptcy of an uninsured motorist  
 567 as ~~defined~~ described in this Code section shall not affect the legal liability of an uninsured  
 568 motorist as the term 'legal liability' is used in this Code section, and such filing of a  
 569 petition for relief in voluntary or involuntary bankruptcy, the appointment of a trustee in  
 570 bankruptcy, or the discharge in bankruptcy of such an uninsured motorist shall not be  
 571 pleaded by the insurance carrier providing uninsured motorist protection in bar of any  
 572 claim of an insured ~~person~~ as defined in this Code section so as to defeat payment for  
 573 damages sustained by any insured ~~person~~ by the insurance company providing uninsured

574 motorist protection and coverage under the terms of this chapter as ~~now or hereafter~~  
 575 ~~amended~~; but the insurance company or companies shall have the right to defend any  
 576 such action in its own name or in the name of the uninsured motorist and shall make  
 577 payment of any judgment up to the limits of the applicable uninsured motorist insurance  
 578 protection afforded by its policy. In those cases, the uninsured motorist upon being  
 579 discharged in bankruptcy may plead the discharge in bankruptcy against any subrogation  
 580 claim of any uninsured motorist carrier making payment of a claim or judgment in favor  
 581 of an uninsured person, and the uninsured motorist may plead said motorist's discharge  
 582 in bankruptcy in bar of all amounts of an insured person's claim in excess of uninsured  
 583 motorist protection available to the insured person."

584 "(B) 'Insured' means the named insured and, while resident of the same household, the  
 585 spouse of any such named insured and relatives of either, while in a motor vehicle or  
 586 otherwise; any person who uses, with the expressed or implied consent of the named  
 587 insured, the motor vehicle to which the policy applies; a guest in such motor vehicle to  
 588 which the policy applies; or the personal representatives of any ~~of the above~~. For  
 589 ~~policies issued or renewed on or after July 1, 2006, the~~ such persons. The term 'insured'  
 590 shall also mean a foster child or ward residing in the household of the named insured  
 591 pursuant to a court order, guardianship, or placement by the ~~Department of Family and~~  
 592 ~~Children Services~~ department of family and children services or other department or  
 593 agency of the state, while in a motor vehicle or otherwise."

594 "(III) Neither coverage under subdivision (I) nor (II) of this division shall be  
 595 applicable if the insured rejects such coverages as provided in paragraph (3) of  
 596 subsection (a) of this Code section. ~~For private passenger motor vehicle insurance~~  
 597 ~~policies in effect on January 1, 2009, insurers shall send to their insureds who have~~  
 598 ~~not rejected coverage pursuant to paragraph (3) of subsection (a) of this Code~~  
 599 ~~section a notice at least 45 days before the first renewal of such policies advising of~~  
 600 ~~the coverage options set forth in this division. Such notice shall not be required for~~  
 601 ~~any subsequent renewals for policies in effect on January 1, 2009, or for any~~  
 602 ~~renewals for policies issued after January 1, 2009.~~ The coverage set forth in  
 603 subdivision (I) of this division need not be provided in or supplemental to a renewal  
 604 policy where the named insured has rejected the coverage set forth in subdivision  
 605 (I) of this division and selected the coverage set forth in subdivision (II) of this  
 606 division in connection with a policy previously issued to said insured by the same  
 607 insurer;"

**SECTION 1-39.**

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Said title is further amended by revising Code Section 33-8-1, relating to fees and taxes generally, as follows:

"33-8-1.

The Commissioner is authorized to assess and collect in advance, and persons so assessed shall pay in advance to the Commissioner, fees and charges under this title as follows:

(1) Unless specifically provided otherwise, for each certificate of authority, original license, renewal of a certificate of authority, or renewal of a license:

- (A) Agent, subagent, counselor, adjuster, or principal office of an insurance agency (new license) . . . . . \$ 100.00
- (B) Agent, subagent, counselor, adjuster, or principal office of an insurance agency (biennial license renewal) . . . . . 100.00
- (B.1) Each branch office of an insurance agency other than the principal office (new license) . . . . . 20.00
- (B.2) Each branch office of an insurance agency other than the principal office (biennial license renewal) . . . . . 20.00
- (C) Agent certificate of authority for subagent . . . . . 5.00
- (D) Automobile self-insurance . . . . . 100.00
- (E) Captive insurance company:
  - (i) Original license or certificate . . . . . 600.00
  - (ii) Renewal license or certificate . . . . . 500.00
- (F) Continuing care provider . . . . . 75.00
- (G) Duplicate certificate of authority, license, or permit . . . . . 25.00
- (H) Farmers mutual fire insurance company:
  - (i) Original license or certificate . . . . . 500.00
  - (ii) Renewal license or certificate . . . . . 25.00
- (I) Fraternal benefit society:
  - (i) Original license or certificate . . . . . 600.00
  - (ii) Renewal license or certificate . . . . . 500.00
- (I.1) Health care corporations:
  - (i) Original license or certificate . . . . . 600.00
  - (ii) Renewal license or certificate . . . . . 500.00
- (J) Health maintenance organization:
  - (i) Original license or certificate . . . . . 600.00
  - (ii) Renewal license or certificate . . . . . 500.00

643	(K) Insurer certificate of authority for agent .....	10.00
644	(L) Life, accident, and sickness insurance company:	
645	(i) Original license or certificate .....	600.00
646	(ii) Renewal license or certificate .....	500.00
647	(M) Managing general agent:	
648	(i) Original license or certificate .....	600.00
649	(ii) Renewal license or certificate .....	500.00
650	(N) Multiple employer self-insurance plan .....	400.00
651	(O) Premium finance company (full power) .....	500.00
652	(P) Premium finance company (limited power) .....	300.00
653	(Q) Reserved.	
654	(R) Prepaid legal services plans .....	500.00
655	(S) Private review agents:	
656	(i) Original license or certificate .....	1,000.00
657	(ii) Renewal license or certificate .....	500.00
658	(T) Property and casualty insurance company:	
659	(i) Original license or certificate .....	600.00
660	(ii) Renewal license or certificate .....	500.00
661	(U) Reserved.	
662	(V) Rating or advisory organization .....	100.00
663	(W) Reinsurance intermediary .....	50.00
664	(X) Surplus lines broker .....	600.00
665	(Y) Third-party administrators:	
666	(i) Original license or certificate .....	500.00
667	(ii) Renewal license or certificate .....	400.00
668	(Z) Title insurance company:	
669	(i) Original license or certificate .....	600.00
670	(ii) Renewal license or certificate .....	500.00
671	(AA) Utilization review agent .....	200.00
672	(BB) Each vending machine licensed under Chapter 23 of this title ....	25.00
673	(CC) Workers' compensation group self-insurance fund:	
674	(i) Original license or certificate .....	600.00
675	(ii) Renewal license or certificate .....	500.00

676	(2) Bond or security deposits:	
677	(A) Not over \$5,000.00 .....	4.00
678	(B) Not over \$10,000.00 .....	8.00
679	(C) Not over \$25,000.00 .....	15.00
680	(D) Not over \$50,000.00 .....	25.00
681	(E) Over \$50,000.00 but less than \$100,000.00 .....	40.00
682	(F) \$100,000.00 or more .....	50.00
683	(3) Examination fee for agent's, subagent's, counselor's, or adjuster's license	25.00
684	(4) Application fee for agent's, subagent's, adjuster's, or counselor's license	15.00
685	(5) Status letter for agent, subagent, counselor, or adjuster .....	10.00
686	(6) For the following filings:	
687	(A) Bylaws amendments .....	25.00
688	(B) Certification of annual statement .....	10.00
689	(C) Certification of examination report .....	10.00
690	(D) Certification of other documents .....	5.00
691	(E) Charter amendments .....	25.00
692	(F) Education course provider (original filing) .....	100.00
693	(G) Education course provider (renewal filing) .....	50.00
694	(H) Education course or program .....	10.00
695	(I) Education course instructor .....	10.00
696	(J) Financial statement .....	50.00
697	(K) Form A .....	5,000.00
698	(L) Form A exemption .....	1,000.00
699	(M) Form B .....	500.00
700	(N) Form B exemption .....	100.00
701	(O) Individual risk rate or form .....	10.00
702	(P) Insurance policy form .....	25.00
703	(Q) Insurance rate filing .....	75.00
704	(R) Listing of licensed agents, subagents, counselors, or adjusters .....	1,000.00
705	(S) Listing of insurer's certificates of authority filed for agents .....	5.00
706	(T) Listing of agent's certificates of authority filed for subagents .....	5.00
707	(U) List of licensees or permit or certificate holders other than agents,	
708	subagents, counselors, or adjusters .....	40.00
709	(V) License, permit, or certificate of authority amendment .....	25.00
710	(W) Late fee for filings .....	15.00

711 (X) Registration of risk retention groups ..... 100.00  
 712 (Y) Registration of purchasing groups ..... 100.00  
 713 (Z) Filing of other documents ..... 50.00  
 714 (AA) Amendment of filings ..... 25.00  
 715 Provided, however, that the Commissioner, in his or her discretion, may  
 716 exempt from such fee change of address filings done ~~off-line~~ offline by  
 717 agents, subagents, counselors, and adjusters.  
 718 (AA.1) Change of address filings done ~~on-line~~ online by agents, subagents,  
 719 counselors, and adjusters ..... No charge  
 720 (BB) Service of process ..... 15.00  
 721 (7) For refiling of corrected documents under this Code section, provided that  
 722 fees were paid with original filing ..... No charge"

723 **SECTION 1-40.**

724 Said title is further amended in Code Section 33-8-4, relating to amount and method of  
 725 computing tax on insurance premiums generally and exclusion of annuity considerations, by  
 726 revising subsection (a) as follows:

727 "(a) All foreign, alien, and domestic insurance companies doing business in this state shall  
 728 pay a tax of 2 1/4 percent upon the gross direct premiums received by them ~~on and after~~  
 729 ~~July 1, 1955~~. The tax shall be levied upon persons, property, or risks in Georgia, from  
 730 January 1 to December 31, both inclusive, of each year without regard to business ceded  
 731 to or assumed from other companies. The tax shall be imposed upon gross premiums  
 732 received from direct writings without any deductions allowed for premium abatements of  
 733 any kind or character or for reinsurance or for cash surrender values paid, or for losses or  
 734 expenses of any kind; provided, however, deductions shall be allowed for premiums  
 735 returned on change of rate or canceled policies; provided, further, that deductions may be  
 736 permitted for return premiums or assessments, including all policy dividends, refunds, or  
 737 other similar returns paid or credited to policyholders and not reapplied as premium for  
 738 additional or extended life insurance. The term 'gross direct premiums' shall not include  
 739 annuity considerations."

740 **SECTION 1-41.**

741 Said title is further amended in Code Section 33-8-4.1, relating to state insurance premiums  
 742 tax credits for insurance companies located in certain counties designated as less developed  
 743 areas and authority of commissioner of community affairs and Commissioner of Insurance,  
 744 by revising paragraph (2) of subsection (f) as follows:

745 "(2) Existing business enterprises as defined under paragraph (2) of subsection (a) of this  
 746 Code section shall be allowed an additional tax credit for taxes imposed under Code  
 747 Section 33-8-4 equal to \$500.00 per eligible new full-time employee job for one year  
 748 after the creation of such job. The additional credit shall be claimed in year two after the  
 749 creation of such job. The number of new full-time jobs shall be determined by comparing  
 750 the monthly average number of full-time employees subject to Georgia income tax  
 751 withholding for the calendar year with the corresponding period of the prior calendar  
 752 year. In tier 1 counties, those existing business enterprises that increase employment by  
 753 five or more shall be eligible for the credit. In tier 2 counties, only those existing  
 754 business enterprises that increase employment by ten or more shall be eligible for the  
 755 credit. In tier 3 counties, only those existing business enterprises that increase  
 756 employment by 15 or more shall be eligible for the credit. In tier 4 counties, only those  
 757 existing business enterprises that increase employment by 25 or more shall be eligible for  
 758 the credit. The average wage of the new jobs created must be above the average wage  
 759 of the county that has the lowest average wage of any county in the state to qualify as  
 760 reported in the most recently available annual issue of the Georgia Employment and  
 761 Wages Averages Report of the Department of Labor. To qualify for a credit under this  
 762 paragraph, the employer must make health insurance coverage available to the employee  
 763 filling the new full-time job; provided, however, that nothing in this paragraph shall be  
 764 construed to require the employer to pay for all or any part of health insurance coverage  
 765 for such an employee in order to claim the credit provided for in this paragraph if such  
 766 employer does not pay for all or any part of health insurance coverage for other  
 767 employees. Credit shall not be allowed during a year if the net employment increase falls  
 768 below the number required in such tier. Any credit received for years prior to the year  
 769 in which the net employment increase falls below the number required in such tier shall  
 770 not be affected. The Commissioner of Insurance shall adjust the credit allowed each year  
 771 for net new employment fluctuations above the minimum level of the number required  
 772 in such tier. ~~This paragraph shall apply only to new eligible full-time jobs created on or~~  
 773 ~~after January 1, 2009, and prior to January 1, 2014."~~

774 **SECTION 1-42.**

775 Said title is further amended in Code Section 33-8-4.2, relating to assignment, carryover, and  
 776 liability regarding tax credits, by revising subsection (b) as follows:

777 "(b) In lieu of claiming any tax credit under Code Section 33-8-4.1 for which a taxpayer  
 778 otherwise is eligible for the calendar year (such eligibility being determined for this  
 779 purpose without regard to any limitation imposed by reason of the taxpayer's precredit tax  
 780 liability under Code Section 33-8-4), the taxpayer may elect to assign such credit in whole

781 or in part to one or more affiliated entities for such calendar year by attaching a statement  
 782 to the taxpayer's return for the calendar year; provided, however, that no carryover  
 783 attributable to the unused portion of any previously claimed or assigned credit may be  
 784 assigned or reassigned, except as provided in subsection (d) of this Code section. Such  
 785 election must be made on or before the due date for filing the applicable tax return under  
 786 Code Section 33-8-4, including any extensions which have been granted. In the case of any  
 787 credit that must be claimed in installments in more than one calendar year, the election  
 788 under this subsection may be made on an annual basis with respect to each such  
 789 installment, provided that the taxpayer shall notify the Commissioner ~~of Insurance~~ with  
 790 respect to the assignment of each such installment by filing a separate copy of the election  
 791 statement for such installment no later than the due date for filing the applicable tax return  
 792 under Code Section 33-8-4, including any extensions which have been granted. Once  
 793 made, an election under this subsection shall be irrevocable."

794 **SECTION 1-43.**

795 Said title is further amended in Code Section 33-8-8.1, relating to county and municipal  
 796 corporation taxes on life insurance companies, by revising subsections (c), (g), (h), and (i)  
 797 as follows:

798 "~~(c)(1) On March 1, 1984, and on that date in each subsequent year, each~~ Each life  
 799 insurance company shall file a certified return on a form prescribed by the Commissioner  
 800 showing gross direct premiums received during the preceding calendar year that will  
 801 appear in the company's certified annual statement.

802 (2) Reserved.

803 ~~(3) On or before August 1, 1988, and on the same date in each subsequent year, the~~  
 804 The Commissioner shall collect taxes imposed pursuant to subsection (b) of this Code  
 805 section on behalf of counties and municipal corporations whose ordinances have been  
 806 filed with the Commissioner. The tax collected for each year shall be based upon gross  
 807 direct premiums written during the preceding calendar year. Penalty and interest as  
 808 prescribed in subsection (d) of Code Section 33-8-6 shall be imposed for late payment,  
 809 underpayment, or nonpayment of such taxes."

810 "~~(g) On or before October 15, 1988, and on the same date in each subsequent year, the~~  
 811 The Commissioner shall distribute the taxes imposed by counties and municipal  
 812 corporations which are actually remitted to and collected by the Commissioner. ~~On or~~  
 813 ~~before October 15, 1988, and on the same date in each subsequent year, the~~ The  
 814 Commissioner shall distribute any delinquent taxes actually collected by the Commissioner  
 815 for a previous year, exclusive of any interest or penalty on such delinquent taxes, which  
 816 delinquent taxes have not previously been distributed.



817 ~~(h) Amounts collected by the Commissioner under or due under former Code Section~~  
 818 ~~33-8-8.1 shall be collected and disbursed as provided in former Code Section 33-8-8.1.~~

819 ~~(i)~~(h) For purposes of this Code section, population shall be measured by the United States  
 820 decennial census of 1990 or any future such census plus any corrections or revisions  
 821 contained in official statements by the United States Bureau of the Census made prior to  
 822 the first day of September immediately preceding the distribution of the proceeds of such  
 823 taxes by the Commissioner and any additional official census data received by the  
 824 Commissioner from the United States Bureau of the Census or its successor agency  
 825 pertaining to any newly incorporated municipality. Such corrections, revisions, or  
 826 additional data shall be certified to the Commissioner by the Office of Planning and Budget  
 827 on or before August 31 of each year."

828 **SECTION 1-44.**

829 Said title is further amended in Code Section 33-8-8.2, relating to county and municipal  
 830 corporation taxes on other than life insurance companies, by revising paragraphs (3) and (5)  
 831 of subsection (b) as follows:

832 ~~"(3)(A) On March 1, 1984, and on the same date in each subsequent year, each~~  
 833 ~~Each~~ insurance company upon which a tax is imposed by subsection (b) of this Code  
 834 section shall file a certified return on a form prescribed by the Commissioner showing  
 835 gross direct premiums received during the preceding calendar year that will appear in  
 836 the company's certified annual statement.

837 (B) Reserved.

838 ~~(C) On or before August 1, 1988, and on the same date in each subsequent year, the~~  
 839 ~~The~~ Commissioner shall collect taxes imposed pursuant to this Code section on behalf  
 840 of counties and municipal corporations whose ordinances have been filed with the  
 841 Commissioner. The premiums tax collected for each year shall be based upon gross  
 842 direct premiums written during the preceding calendar year. Penalty and interest as  
 843 prescribed in subsection (d) of Code Section 33-8-6 shall be imposed for late payment,  
 844 underpayment, or nonpayment of such taxes;"

845 ~~"(5) On or before October 15, 1988, and on the same date in each subsequent year, the~~  
 846 ~~The~~ Commissioner shall distribute the taxes imposed by counties and municipal  
 847 corporations which are actually remitted to and collected by the Commissioner. ~~On or~~  
 848 ~~before October 15, 1988, and on the same date in each subsequent year, the~~ ~~The~~  
 849 Commissioner shall distribute any delinquent taxes actually collected by the  
 850 Commissioner for a previous year, exclusive of any interest or penalty on such delinquent  
 851 taxes, which delinquent taxes have not previously been distributed."

852 **SECTION 1-45.**

853 Said title is further amended in Code Section 33-8-8.3, relating to funding of services, or  
 854 reduction of ad valorem taxes in unincorporated areas of counties, and powers and duties of  
 855 governing authority, by revising paragraph (2) of subsection (a) as follows:

856 "(2) Reducing ad valorem taxes of the inhabitants of the unincorporated areas of those  
 857 counties in which the governing authority of a county does not provide any of the  
 858 services enumerated in paragraph (1) of this subsection to inhabitants of the  
 859 unincorporated areas. In fixing the ad valorem tax millage rate for the year 1984 and any  
 860 year thereafter, the governing authorities of such counties shall be authorized and directed  
 861 to reduce such ad valorem tax millage rate on taxable property within the unincorporated  
 862 areas of such counties to offset any of the proceeds derived from any tax provided for in  
 863 this chapter which cannot be expended pursuant to paragraph (1) of this subsection."

864 **SECTION 1-46.**

865 Said title is further amended in Code Section 33-8-10, relating to confidential treatment of  
 866 tax information, information to be disclosed by local officials engaged in collection of taxes,  
 867 and violations, by revising subsection (c) as follows:

868 ~~"(c) Any person who violates this Code section shall be guilty of a misdemeanor and, upon~~  
 869 ~~conviction thereof, shall be fined not less than \$500.00 nor more than \$1,000.00 or~~  
 870 ~~imprisoned for not less than one month nor more than 12 months, or both; and, if the~~  
 871 ~~offender is an officer or employee of the state, he shall be dismissed from office and shall~~  
 872 ~~be incapable of holding any public office in this state for a period of five years thereafter."~~

873 **SECTION 1-47.**

874 Said title is further amended in Code Section 33-9-3, relating to application of the chapter  
 875 relative to regulation of rates, underwriting rules, and related organizations, by revising  
 876 subsections (b) and (c) as follows:

877 "(b)(1) This chapter shall apply to all insurers, including stock and mutual companies,  
 878 Lloyd's associations, and reciprocal and interinsurance exchanges, which under any laws  
 879 of this state write any of the kinds of insurance to which this chapter applies.

880 ~~(2) The provisions of this chapter regarding rates shall apply to any insurer, fraternal~~  
 881 ~~benefit society, health care plan, health maintenance organization, or preferred provider~~  
 882 ~~organization providing any accident or sickness insurance or health benefit plan issued,~~  
 883 ~~delivered, issued for delivery, or renewed in this state to the extent required by~~  
 884 ~~subsection (c) of this Code section.~~

885 ~~(c) Provisions of this chapter regarding rates shall apply only to a proposed rate for any~~  
 886 ~~insurance or health benefit plan:~~

887 ~~(1) Which alone or in combination with any previous rate change for such insurance or~~  
 888 ~~plan would result in a rate increase of:~~  
 889 ~~(A) Any amount, but no decrease shall be subject to such provisions, provided,~~  
 890 ~~however,~~  
 891 ~~(B) The provisions of this chapter shall not apply to accident and sickness insurance;~~  
 892 ~~or~~  
 893 ~~(2) Made within 36 months after any rate change described by paragraph (1) of this~~  
 894 ~~subsection."~~

895 **SECTION 1-48.**

896 Said title is further amended by revising Code Section 33-9-8, relating to agreements to share  
 897 high-risk applicants and approval of rates, as follows:

898 "33-9-8.

899 (a) Agreements shall be made among admitted property and casualty insurers with respect  
 900 to the equitable apportionment among them of property and casualty insurance which may  
 901 be afforded applicants who are in good faith entitled to but who are unable to procure such  
 902 insurance through ordinary methods upon the determination by the Commissioner in  
 903 writing that an agreement relative to a given kind or kinds of property and casualty  
 904 insurance is necessary to protect the health, property, and welfare of the citizens of  
 905 Georgia. All of the agreements shall be subject to the approval of the Commissioner and  
 906 upon his or her approval shall have the effect of rules and regulations promulgated by the  
 907 Commissioner.

908 (b) All of the agreements shall be submitted in writing to the Commissioner for his or her  
 909 consideration and approval within the period of time specified by the Commissioner in his  
 910 or her determination, as provided for in this Code section, together with such information  
 911 as he or she may reasonably require. The approval of the agreements shall comply with  
 912 the requirements of the rule-making process as set forth in Code Section 33-2-9, ~~as now or~~  
 913 ~~hereafter amended~~. The Commissioner shall approve only such agreements as are found  
 914 by him or her to contemplate the use of rates which meet the standards prescribed by this  
 915 chapter and activities and practices that are not unfair, unreasonable, or otherwise  
 916 inconsistent with this chapter.

917 (c) If, as provided in this Code section, the Commissioner determines that it is necessary  
 918 to protect the health, property, and welfare of the citizens of this state, in addition to all  
 919 other authority granted in this title, the Commissioner shall also have and may exercise the  
 920 following authority:

921 (1) The Commissioner may require that any rates contemplated to be used under this  
 922 Code section shall be approved by him or her prior to their use;

923 (2) The Commissioner may declare that any policies, contracts, or rates used pursuant  
924 to any agreement or plan established under this Code section shall be the exclusive  
925 policies, contracts, or rates authorized to be used in Georgia for the kind or kinds of  
926 insurance; and he or she may prohibit the use by any person of policies, contracts, or rates  
927 in this state which are different from those established in accordance with this Code  
928 section; and

929 (3) The Commissioner may amend or modify in whole or in part and may adopt any  
930 agreement submitted to him or her in accordance with this Code section. If no agreement  
931 is submitted within the time prescribed by the Commissioner or if after a hearing the  
932 agreement submitted is unacceptable to the Commissioner, the Commissioner may on his  
933 or her own motion promulgate and adopt a reasonable plan to implement this Code  
934 section which plan shall become effective on a date not sooner than ten days as specified  
935 by the Commissioner in his or her order.

936 (d) At any time after the agreements are in effect the Commissioner may review the  
937 practices and activities of the adherents to such agreements and, if after a hearing upon not  
938 less than ten days' notice to such adherents, he or she finds that any such practice or activity  
939 is unfair or unreasonable, or is otherwise inconsistent with this chapter, he or she may issue  
940 a written order to the parties of the agreement specifying in what respect the act or practice  
941 is unfair or unreasonable or otherwise inconsistent with this chapter and requiring the  
942 discontinuance of the activity or practice. For good cause, and after hearing upon not less  
943 than ten days' notice to the adherents thereto, the Commissioner may revoke approval of  
944 the agreement.

945 (e) Whenever the Commissioner determines that a lack of competition or a lack of  
946 availability exists in this state in either property or casualty insurance, the Commissioner  
947 is authorized to protect the health, property, and welfare of the citizens of this state by  
948 exercising the following authority:

949 (1) The Commissioner shall approve all rates contemplated to be used under this Code  
950 section prior to their use;

951 (2) The Commissioner shall approve any policies or contracts used pursuant to any  
952 agreement or plan established under this Code section and such policies or contracts shall  
953 be used exclusively in this state for those kinds of insurance. The use by any person of  
954 any policies or contracts which are different from those established in accordance with  
955 this Code section shall be prohibited; and

956 (3) The Commissioner may by order implement a plan or program to provide the  
957 necessary insurance coverages to the citizens of this state by equitable apportionment  
958 among all property and casualty insurers licensed to transact those kinds of insurance in  
959 this state.

960 (f) The powers contained in this Code section are cumulative and shall be in addition to  
 961 all other powers of the Commissioner contained elsewhere in this title or under the laws  
 962 of this state."

963 **SECTION 1-49.**

964 Said title is further amended in Code Section 33-9-21, relating to maintenance and filing  
 965 rates, rating plans, rating systems, or underwriting rules and examination of claim reserve  
 966 practices by the Commissioner, by revising paragraph (2) of subsection (a) and paragraph (2)  
 967 of subsection (b) as follows:

968 "(2) Shall require, ~~not later than July 30, 1990~~, each domestic, foreign, and alien insurer,  
 969 writing or authorized to write workers' compensation insurance in this state, to file such  
 970 insurer's own individual rate filing for ~~premium~~ rates to be charged for workers'  
 971 compensation insurance coverage written in this state. Such ~~premium~~ rates shall be  
 972 developed and established based upon each individual insurer's experience in the State  
 973 of Georgia to the extent actuarially credible. The experience filed shall include the loss  
 974 ratios, reserves, reserve development information, expenses, including commissions paid  
 975 and dividends paid, investment income, pure premium data adjusted for loss development  
 976 and loss trending, profits, and all other data and information used by that insurer in  
 977 formulating its workers' compensation ~~premium~~ rates which are used in this state and any  
 978 other information or data required by the Commissioner. In establishing and maintaining  
 979 loss reserves, no workers' compensation insurer shall be allowed to maintain any excess  
 980 loss reserve for any claim or potential claim for more than 90 days after the amount of  
 981 liability for such claim or potential claim has been established, whether by final  
 982 judgment, by settlement agreement, or otherwise. This limitation on the maintenance of  
 983 loss reserves shall be enforced through this Code section, as well as through Code Section  
 984 33-9-23, relating to examination of admitted insurers, and any other appropriate  
 985 enforcement procedures. The Commissioner is authorized to accept such rate  
 986 classifications as are reasonable and necessary for compliance with this chapter. A rate  
 987 filing required by this paragraph shall be updated by the insurer at least once every two  
 988 years, ~~the initial two-year period to be calculated from July 30, 1990~~; and"

989 "(2) For personal private passenger motor vehicle insurance other than that described in  
 990 ~~paragraph (1) of subsection (b) of Code Section 33-9-21~~ this subsection, such rate, rating  
 991 plan, rating system, or underwriting rule for all such personal private passenger motor  
 992 vehicle insurance shall be effective upon filing and shall be implemented without  
 993 approval of the Commissioner. This subsection shall apply to the entire personal private  
 994 passenger motor vehicle insurance policy with limits above the mandatory minimum  
 995 required by Code Section 33-34-4 and subsection (a) of Code Section 40-9-37 and shall

996 apply to the entire personal private passenger motor vehicle policy with minimum limits  
 997 if such policy has any additional nonmandatory coverage or coverages."

998 **SECTION 1-50.**

999 Said title is further amended by revising Code Section 33-9-21.1, relating to filing and  
 1000 maintenance of information relating to certain casualty insurance, as follows:

1001 "33-9-21.1.

1002 ~~In order to facilitate the handling of form and rate filings of certain types of miscellaneous~~  
 1003 ~~casualty insurance which prior to July 1, 1995, has been filed generally under paragraph~~  
 1004 ~~(10) of Code Section 33-7-3, the~~ The following types of casualty insurance shall be filed  
 1005 separately and data relative to such types of insurance shall be maintained separately:

- 1006 (1) Nonrecording insurance or nonfiling insurance; and  
 1007 (2) Vendors' single interest insurance."

1008 **SECTION 1-51.**

1009 Said title is further amended in Code Section 33-9-23, relating to examination of admitted  
 1010 insurers and examination of insurers transacting workers' compensation insurance, by  
 1011 revising subsection (b) as follows:

1012 "(b) In addition to and apart from the examination required by subsection (a) of this Code  
 1013 section, the Commissioner may, at any reasonable time, examine or cause to be examined  
 1014 by some examiner duly authorized by him or her all insurers transacting workers'  
 1015 compensation insurance in this state. This examination will include a review of the loss  
 1016 ratios, reserves, reserve development information, expenses including commissions paid  
 1017 and dividends paid, investment income, pure premium data adjusted for loss development  
 1018 and loss trending, profits, and all other data and information used by that insurer in  
 1019 formulating its workers' compensation ~~premium~~ rates which are used in this state and any  
 1020 other information or data required by the Commissioner. Upon completion of this  
 1021 examination, a report in such form as the Commissioner shall prescribe shall be filed in his  
 1022 or her office."

1023 **SECTION 1-52.**

1024 Said title is further amended by revising Code Section 33-9-30, relating to suspension or  
 1025 revocation of license or certificate of authority for failure to comply with order of the  
 1026 Commissioner, as follows:

1027 "33-9-30.

1028 In addition to other penalties provided in this title, the Commissioner, by order pursuant  
 1029 to Code Section 33-9-29, may suspend or revoke, in whole or in part, the license of any

1030 rating organization or the certificate of authority of any insurer with respect to the class or  
 1031 classes of insurance specified in such order ~~which if such entity~~ fails to comply within the  
 1032 time limited by such order or any extension thereof ~~which that~~ the Commissioner may  
 1033 grant ~~with an order of the Commissioner lawfully made by him pursuant to Code Section~~  
 1034 ~~33-9-29."~~

1035 **SECTION 1-53.**

1036 Said title is further amended by revising Code Section 33-9-36, relating to unauthorized  
 1037 premiums and unlawful inducements, as follows:

1038 "33-9-36.

1039 (a) As used in this Code section, the term:

1040 (1) 'Gift certificate' shall have the same meaning as provided in Code Section 10-1-393.

1041 (2) 'Insurance' includes suretyship.

1042 (3) 'Policy' includes bond.

1043 (4) 'Store gift card' shall have the same meaning as provided in Code Section 10-1-393.

1044 (b) No broker or agent shall knowingly charge, demand, or receive a premium for any  
 1045 policy of insurance except in accordance with this chapter.

1046 (c) No insurer or employee of such insurer and no broker or agent shall pay, allow, or give,  
 1047 or offer to pay, allow, or give, directly or indirectly as an inducement to insurance or after  
 1048 insurance has been effected, any rebate, discount, abatement, credit, or reduction of the  
 1049 premium named in a policy of insurance, or any special favor or advantage in the dividends  
 1050 or other benefits to accrue on such policy of insurance, or any valuable consideration or  
 1051 inducement whatever, not specified in the policy of insurance, except to the extent provided  
 1052 for in an applicable filing. No insured named in a policy of insurance nor any employee  
 1053 of the insured shall knowingly receive or accept, directly or indirectly, any such rebate,  
 1054 discount, abatement, credit, or reduction of premium, or any special favor or advantage or  
 1055 valuable consideration or inducement.

1056 (d) Nothing in this Code section shall be construed as prohibiting the payment of  
 1057 commissions or other compensation to duly licensed agents and brokers, nor as prohibiting  
 1058 any insurer from allowing or returning to its participating policyholders, members, or  
 1059 subscribers dividends, savings, or unabsorbed premium deposits.

1060 (e) Nothing in this Code section shall be construed as prohibiting the payment for food or  
 1061 refreshments by an insurer or ~~an agent, broker, or employee of an insurer~~ employee of such  
 1062 insurer and no broker or agent for current or prospective clients during sales presentations  
 1063 and seminars, provided that no insurance or annuity applications or contracts are offered  
 1064 or accepted at such presentations or seminars.

1065 (f) Nothing in this Code section shall be construed as prohibiting ~~insurers or insurance~~  
 1066 ~~producers~~ an insurer or employee of such insurer of a broker or an agent from advertising  
 1067 or conducting promotional programs by insurers or insurance producers whereby prizes,  
 1068 goods, wares, store gift cards, gift certificates, sporting event tickets, or merchandise, not  
 1069 exceeding \$100.00 in value per customer in the aggregate in any one calendar year, are  
 1070 given to current or prospective customers; provided, however, that the giving of any item  
 1071 or items of value under this subsection shall not be contingent on the sale or renewal of a  
 1072 policy."

#### 1073 SECTION 1-54.

1074 Said title is further amended in Code Section 33-9-42, relating to reduction in premiums for  
 1075 motor vehicle liability, first-party medical, and collision coverages for certain named drivers,  
 1076 by revising subparagraph (b)(3)(C) as follows:

1077 "(C) A defensive driving course of not less than six hours from a driver improvement  
 1078 program which is administered by a nonprofit organization such as the ~~American~~  
 1079 ~~Association of Retired People~~ AARP, the American Automobile Association, the  
 1080 National Safety Council, or a comparable organization and which meets the rules and  
 1081 regulations of the Department of Driver Services pursuant to subsection (g) of this Code  
 1082 section; or"

#### 1083 SECTION 1-55.

1084 Said title is further amended in Code Section 33-9-43, relating to reduction in premiums for  
 1085 motor vehicle liability, first-party medical, and collision coverage for named drivers under  
 1086 25 years of age, by revising subsection (a) as follows:

1087 "(a) For each personal or family-type policy of private passenger motor vehicle insurance  
 1088 issued, delivered, issued for delivery, or renewed ~~on or after October 1, 1991~~, there shall  
 1089 be offered by the insurer a reduction in the premium for motor vehicle liability, first-party  
 1090 medical, and collision coverage for each named driver under 25 years of age, as listed on  
 1091 the policy application or provided in information subsequent to such application, of each  
 1092 motor vehicle covered by such policy, if that driver:

- 1093 (1) Is unmarried;
- 1094 (2) Is enrolled as a full-time student in:
- 1095 (A) High school;
- 1096 (B) Academic courses in a college or university; or
- 1097 (C) Vocational-technical school;
- 1098 (3) Is an honor student because the scholastic records for the immediately preceding  
 1099 quarter, semester, or comparable segment show that such person:



- 1100 (A) Ranks scholastically in the upper 20 percent of the class;  
 1101 (B) Has a 'B' average or better;  
 1102 (C) Has a 3.0 average or better; or  
 1103 (D) Is on the 'Dean's List' or 'Honor Roll'; and  
 1104 (4) Is a driver whose use of the automobile is considered by the insurer in determining  
 1105 the applicable classification."

1106 **SECTION 1-56.**

1107 Said title is further amended by revising Code Section 33-9-44, relating to legislative intent,  
 1108 as follows:

1109 "33-9-44.

1110 It is specifically intended that the discounts provided in Code Sections 33-9-42 and 33-9-43  
 1111 shall be provided by the insurer to any person who qualifies for such discounts. ~~It is further~~  
 1112 ~~intended that any similar discounts granted to qualified persons under Chapter 34 of this~~  
 1113 ~~title as such chapter existed on September 30, 1991, shall not be discontinued nor~~  
 1114 ~~duplicated by the enactment of Code Sections 33-9-42 and 33-9-43 for policies in effect~~  
 1115 ~~on September 30, 1991."~~

1116 **SECTION 1-57.**

1117 Said title is further amended in Code Section 33-10-2, relating to assets considered in  
 1118 determining financial conditions of insurer – excluded assets, by revising paragraphs (3)  
 1119 and (4) as follows:

1120 "(3) Stock of such insurer, owned by ~~him~~ such insurer, or any equity in such stock or  
 1121 loans secured by such stock or any proportionate interest in such stock acquired or held  
 1122 through the ownership by such insurer of a controlling interest in another firm,  
 1123 corporation, or business unit;

1124 (4) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature, and  
 1125 supplies other than data processing and accounting system authorized under paragraph  
 1126 (3) of Code Section 33-10-1, except, in the case of title insurers, such materials and plants  
 1127 as the insurer is expressly authorized to invest in under Code Section 33-11-27 and  
 1128 except, in the case of any insurer, such personal property as the insurer is permitted to  
 1129 hold pursuant to Chapter 11 of this title or which is reasonably necessary for the  
 1130 maintenance and operation of real estate lawfully acquired and held by the insurer other  
 1131 than real estate used by ~~him~~ such insurer for home office, branch office, or similar  
 1132 purposes; and"

1133 **SECTION 1-58.**

1134 Said title is further amended by revising Code Section 33-10-3, relating to deduction of  
1135 assets from liabilities and liabilities from assets generally, as follows:

1136 "33-10-3.

1137 Assets may be allowable as deductions from corresponding liabilities, and liabilities may  
1138 be charged as deductions from assets, in accordance with the form of annual statement  
1139 applicable to such insurer as ~~prescribed~~ directed by the Commissioner or otherwise in his  
1140 or her discretion."

1141 **SECTION 1-59.**

1142 Said title is further amended in Code Section 33-10-10, relating to required reserves – title  
1143 insurance, by revising paragraph (1) as follows:

1144 "(1) Ten percent of the total amount of the risk premiums ~~hereafter~~ written in the  
1145 calendar year for title insurance contracts shall be assigned originally to the reserve; and"

1146 **SECTION 1-60.**

1147 Said title is further amended by revising Code Section 33-10-11, relating to requirement of  
1148 special reserve for certain bonds, as follows:

1149 "33-10-11.

1150 In lieu of the unearned premium reserve required on surety insurance under subsection (a)  
1151 of Code Section 33-10-6, the Commissioner may require any surety insurer or limited  
1152 surety insurer to set up and maintain a reserve on all bail bonds or other single premium  
1153 bonds without definite expiration data, furnished in judicial proceedings, equal to 25  
1154 percent of the total consideration charged for any bonds as are outstanding as of the date  
1155 of any then current financial statement of the insurer."

1156 **SECTION 1-61.**

1157 Said title is further amended in Code Section 33-10-13, relating to standard valuation, by  
1158 revising subsections (b) and (i) and subparagraph (p)(1)(A) as follows:

1159 "~~(b) For the purposes of this Code section, the~~ The following definitions shall apply on or  
1160 after the operative date of the valuation manual. For the purposes of this Code section, the  
1161 term:

1162 (1) ~~The term 'accident~~ 'Accident and health insurance' means contracts that incorporate  
1163 morbidity risk and provide protection against economic loss resulting from accident,  
1164 sickness, or medical conditions and as may be specified in the valuation manual.

- 1165 (2) ~~The term 'appointed~~ Appointed actuary' means a qualified actuary who is appointed  
 1166 in accordance with the valuation manual to prepare the actuarial opinion required in  
 1167 paragraph (2) of subsection (d) of this Code section.
- 1168 (3) ~~The term 'company'~~ Company' means an entity, which:  
 1169 (A) ~~Has~~ has written, issued, or reinsured life insurance contracts, accident and health  
 1170 insurance contracts, or deposit-type contracts in this state and has at least one such  
 1171 policy in force or on claim; or  
 1172 (B) ~~Has~~ has written, issued, or reinsured life insurance contracts, accident and health  
 1173 insurance contracts, or deposit-type contracts in any state and is required to hold a  
 1174 certificate of authority to write life insurance, accident and health insurance, or  
 1175 deposit-type contracts in this state.
- 1176 (4) ~~The term 'deposit-type~~ Deposit-type contract' means contracts that do not incorporate  
 1177 mortality or morbidity risks and as may be specified in the valuation manual.
- 1178 (5) ~~The term 'life~~ Life insurance' means contracts that incorporate mortality risk,  
 1179 including annuity and pure endowment contracts, and as may be specified in the valuation  
 1180 manual.
- 1181 (6) ~~The term 'NAIC'~~ means the National Association of Insurance Commissioners.
- 1182 (7) ~~The term 'policyholder~~ Policyholder behavior' means any action a policyholder,  
 1183 contract holder, or any other person with the right to elect options, such as a certificate  
 1184 holder, may take under a policy or contract subject to this Code section, including, but  
 1185 not limited to, lapse, withdrawal, transfer, deposit, premium payment, loan, annuitization,  
 1186 or benefit elections prescribed by the policy or contract but excluding events of mortality  
 1187 or morbidity that result in benefits prescribed in their essential aspects by the terms of the  
 1188 policy or contract.
- 1189 (8) ~~The term 'principle-based~~ Principle-based valuation' means a reserve valuation that  
 1190 uses one or more methods or one or more assumptions determined by the insurer and is  
 1191 required to comply with subsection (p) of this Code section as specified in the valuation  
 1192 manual.
- 1193 (9) ~~The term 'qualified~~ Qualified actuary' means an individual who is qualified to sign  
 1194 the applicable statement of actuarial opinion in accordance with the American Academy  
 1195 of Actuaries qualification standards for actuaries signing such statements and who meets  
 1196 the requirements specified in the valuation manual.
- 1197 (10) ~~The term 'tail~~ Tail risk' means a risk that occurs either where the frequency of low  
 1198 probability events is higher than expected under a normal probability distribution or  
 1199 where there are observed events of very significant size or magnitude.
- 1200 (11) ~~The term 'valuation~~ Valuation manual' means the manual of valuation instructions  
 1201 adopted by the NAIC as specified in this Code section or as subsequently amended."

1202 "(i) In no event shall an insurer's aggregate reserve for all life insurance policies, excluding  
 1203 disability and accidental death benefits issued on or after January 1, 1966, be less than the  
 1204 aggregate reserves calculated in accordance with the methods set forth in subsections (g),  
 1205 (h), (l), and (m) of this Code section and the mortality table or tables and rate or rates of  
 1206 interest used in calculating nonforfeiture benefits for the policies. In no event shall the  
 1207 aggregate reserves for all policies, contracts, and benefits be less than the aggregate  
 1208 reserves determined by the appointed actuary to be necessary to render the opinion required  
 1209 by subsection (d) of ~~the~~ this Code section."

1210 "(A) Quantify the benefits and guarantees, and the funding, associated with the  
 1211 contracts and their risks at a level of conservatism that reflects conditions that include  
 1212 unfavorable events that have a reasonable probability of occurring during the lifetime  
 1213 of the contracts. ~~For, and for~~ policies or contracts with significant tail risk, reflects  
 1214 conditions appropriately adverse to quantify the tail risk;"

#### 1215 SECTION 1-62.

1216 Said title is further amended by revising Code Section 33-10-17, relating to valuation of  
 1217 reserves – purchase money mortgages, as follows:

1218 "33-10-17.

1219 ~~Purchase money mortgages~~ Mortgages on real property referred to in subsection (a) of  
 1220 Code Section 33-10-16 shall be valued in an amount not exceeding the acquisition cost of  
 1221 the real property covered thereby or 90 percent of the fair value of the real property,  
 1222 whichever is less."

#### 1223 SECTION 1-63.

1224 Said title is further amended by revising Code Section 33-29A-31, relating to individual  
 1225 accident and sickness insurance policy definitions, as follows:

1226 "33-29A-31.

1227 For purposes of this article, the term 'individual accident and sickness insurance policy'  
 1228 means any policy insuring against loss resulting from sickness or from bodily injury or  
 1229 death by accident, or both, or any contract to furnish ambulance service in the future but  
 1230 does not include limited benefit insurance policies exempted from the definition of the term  
 1231 'health benefit policy' in ~~paragraph (1.1)~~ of Code Section 33-1-2. The term 'individual  
 1232 accident and sickness insurance policy' shall also include comprehensive major medical  
 1233 coverage for medical and surgical benefits, and also includes ~~'High Deductible Health~~  
 1234 Plans' 'high deductible health plans' sold or maintained under the applicable provisions of  
 1235 Section 223 of the Internal Revenue Code."

**SECTION 1-64.**

1236

1237 Said title is further amended by replacing "Insurance Department" with "Department of  
1238 Insurance" wherever the former term occurs in:

1239 (1) Code Section 33-13-1, relating to definitions;

1240 (2) Code Section 33-13-38, relating to confidentiality and protection;

1241 (3) Code Section 33-21-17, relating to examinations of organizations and providers, reports  
1242 of examinations, and payment of expenses of examinations;

1243 (4) Code Section 33-23-12, relating to limited licenses;

1244 (5) Code Section 33-24-66, relating to evidence, testimony, and information necessary to  
1245 prepare report under Code Section 33-24-63, and time period for issuing of reports on bill;

1246 (6) Code Section 33-25-14, relating to unclaimed life insurance benefits, purpose,  
1247 definitions, and insurer conduct;

1248 (7) Code Section 33-29-19, relating to rate modification on individual accident and sickness  
1249 policies providing for optional loss ratio guarantee;

1250 (8) Code Section 33-34A-2, relating to definitions;

1251 (9) Code Section 33-37-3, relating to definitions;

1252 (10) Code Section 33-37-10, relating to confidentiality of proceedings;

1253 (11) Code Section 33-37-13, relating to authority of rehabilitator, additional remedies, and  
1254 rehabilitation plan;

1255 (12) Code Section 33-37-20, relating to powers of liquidator;

1256 (13) Code Section 33-50-5, relating to minimum surplus, capital requirements, security  
1257 deposit, annual audit, aggregate excess stop-loss coverage, and individual excess stop-loss  
1258 coverage;

1259 (14) Code Section 33-52-3, relating to notice of transfer, contents and form of notice, and  
1260 prior approval of Commissioner;

1261 (15) Code Section 33-55-2, relating to "material" acquisition or disposition defined, scope  
1262 of reporting requirement, and information to be included in report; and

1263 (16) Code Section 33-56-11, relating to immunity of Commissioner and department.

**SECTION 1-65.**

1264

1265 Chapter 9 of Title 9, relating to civil practice arbitration, is amended in Code Section 9-9-2,  
1266 relating to applicability and exclusive method, by revising paragraph (3) of subsection (c) as  
1267 follows:

1268 "(3) Any contract of insurance, as defined in ~~paragraph (1) of~~ Code Section 33-1-2;  
1269 provided, however, that nothing in this paragraph shall impair or prohibit the enforcement  
1270 of or in any way invalidate an arbitration clause or provision in a contract between  
1271 insurance companies;"

**SECTION 1-66.**

1272  
 1273 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other  
 1274 trade practices, is amended in Code Section 10-1-3, relating to requirements for retail  
 1275 installment contracts, time price differential, prepayment, and inclusion of construction  
 1276 permit costs, by revising subsection (g) as follows:

1277 "(g) The seller under any retail installment contract shall, within 30 days after execution  
 1278 of the contract, deliver or mail or cause to be delivered or mailed to the buyer at his or her  
 1279 aforesaid address any policy or policies of insurance the seller has agreed to purchase in  
 1280 connection therewith or in lieu thereof a certificate or certificates of such insurance. The  
 1281 amount, if any, included for insurance shall not exceed the applicable premiums chargeable  
 1282 in accordance with the rates filed with the ~~Insurance~~ Department of Insurance; if any such  
 1283 insurance is canceled, unearned insurance premium refunds received by the holder shall  
 1284 be credited to the final maturing installment of the contract except to the extent applied  
 1285 toward the payment for similar insurance protecting the interests of the seller and the  
 1286 holder or either of them. Nothing in this article shall impair or abrogate the right of a buyer  
 1287 to procure insurance from an agent and company of his or her own selection, as provided  
 1288 by the insurance laws of this state; and nothing contained in this article shall modify, alter,  
 1289 or repeal any of the insurance laws of this state."

**SECTION 1-67.**

1290  
 1291 Said chapter is further amended in Code Section 10-1-32, relating to requirements for retail  
 1292 installment contracts, insurance, delinquency charges, attorneys' fees, and costs, and receipts,  
 1293 by revising paragraph (1) of subsection (e) as follows:

1294 "(e)(1) If any insurance is purchased by the holder of the retail installment contract, the  
 1295 amount charged therefor shall not exceed the applicable premiums chargeable in  
 1296 accordance with the rates filed with the ~~Insurance~~ Department of Insurance. If dual  
 1297 interest insurance on the motor vehicle is purchased by the holder, it shall, within 30 days  
 1298 after execution of the retail installment contract, send or cause to be sent to the buyer a  
 1299 policy or policies or certificate of insurance, written by an insurance company authorized  
 1300 to do business in this state, clearly setting forth the amount of the premium, the kind or  
 1301 kinds of insurance, the coverages, and all the terms, exceptions, limitations, restrictions,  
 1302 and conditions of the contract or contracts of insurance."

**SECTION 1-68.**

1303  
 1304 Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to postsecondary  
 1305 education, is amended in Code Section 20-3-632, relating to definitions, by revising  
 1306 paragraph (6) as follows:

1307 "(6) 'Financial organization' means an organization which is:  
 1308 (A) A fiduciary authorized to act as a trustee pursuant to the provisions of the federal  
 1309 Employee Retirement Income Security Act of 1974, as amended, or an insurance  
 1310 company or affiliate; and  
 1311 (B)(i) Licensed or chartered by the ~~Insurance~~ Department of Insurance;  
 1312 (ii) Licensed or chartered by the Department of Banking and Finance;  
 1313 (iii) Chartered by an agency of the federal government;  
 1314 (iv) Subject to the jurisdiction and regulation of the federal Securities and Exchange  
 1315 Commission;  
 1316 (v) Any other entity otherwise authorized to act in this state as a trustee pursuant to  
 1317 the provisions of the federal Employee Retirement Income Security Act of 1974, as  
 1318 amended; or  
 1319 (vi) Any investment adviser registered with the ~~United States~~ federal Securities and  
 1320 Exchange Commission pursuant to the Investment Advisers Act of 1940."

1321 **SECTION 1-69.**

1322 Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to workers'  
 1323 compensation, is amended by replacing "Insurance Department" with "Department of  
 1324 Insurance" wherever the former term occurs in:  
 1325 (1) Code Section 34-9-121, relating to duty of employer to insure in licensed company or  
 1326 association or to deposit security, indemnity, or bond as self-insurer, application to  
 1327 out-of-state employers, and membership in mutual insurance company;  
 1328 (2) Code Section 34-9-132, relating to grounds for revocation of insurance carrier's permit;  
 1329 and  
 1330 (3) Code Section 34-9-368, relating to reimbursement of self-insured employers or insureds,  
 1331 actuarial study required, and dissolution of Subsequent Injury Trust Fund.

1332 **SECTION 1-70.**

1333 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is  
 1334 amended by replacing "Insurance Department" with "Department of Insurance" wherever the  
 1335 former term occurs in:  
 1336 (1) Code Section 40-2-137, relating to definitions, notice of insurance coverage and  
 1337 termination, electronic transmission of notice, public inspection of minimum liability  
 1338 insurance records, duties of vehicle owner, lapse fee, suspension of vehicle registrations,  
 1339 waiver of lapse fee, and persons on active military duty;

1340 (2) Code Section 40-3-36, relating to cancellation of certificate of title for scrap, dismantled,  
 1341 or demolished vehicles or trailers, salvage certificate of title, administrative enforcement, and  
 1342 removal of license plates; and

1343 (3) Code Section 40-3-43, relating to transfer of certificate to person, firm, or corporation  
 1344 paying total loss claim on stolen vehicle, administrative fine enforcement alternative, and  
 1345 authority of Commissioner of Insurance.

1346 **SECTION 1-71.**

1347 Chapter 5 of Title 47 of the Official Code of Georgia Annotated, relating to the Georgia  
 1348 Municipal Employees Benefit System, is amended in Code Section 47-5-23, relating to  
 1349 powers of the board of trustees generally, by revising paragraph (17) as follows:

1350 "(17) To serve as trustees of a municipal workers' compensation group self-insurance  
 1351 fund which is established by employers as defined in paragraph (9) of Code  
 1352 Section 47-5-2 and which is operated pursuant to Article 5 of Chapter 9 of Title 34 and  
 1353 rules and regulations of the Georgia ~~Insurance~~ Department of Insurance, notwithstanding  
 1354 the definition contained in paragraph (11) of Code Section 34-9-151;"

1355 **PART II**

1356 **SECTION 2-1.**

1357 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
 1358 repealing Article 2 of Chapter 29A, relating to the Commission on the Georgia Health  
 1359 Insurance Risk Pool, and designating said article as reserved.

1360 **SECTION 2-2.**

1361 Any assets of the Commission on the Georgia Health Insurance Risk Pool existing as of  
 1362 June 30, 2018, shall devolve by operation of law and without further action to the State of  
 1363 Georgia on July 1, 2018. Any liabilities and obligations of the Commission on the Georgia  
 1364 Health Insurance Risk Pool existing as of June 30, 2018, shall be transferred to and assumed  
 1365 by the State of Georgia, by such instruments as may be required to maintain the same.

1366 **PART III**

1367 **SECTION 3-1.**

1368 All laws and parts of laws in conflict with this Act are repealed.