

The House Committee on Insurance offers the following substitute to HB 938:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 33-23-12 of the Official Code of Georgia Annotated, relating to  
2 limited licenses, so as to provide for a limited credit insurance agency license; to provide for  
3 requirements; to provide for application to the Commissioner; to provide for penalties; to  
4 provide for a decision appeal; to provide for license renewal; to provide for related matters;  
5 to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 33-23-12 of the Official Code of Georgia Annotated, relating to limited  
9 licenses, is amended by revising subsection (a) and adding a new subsection to read as  
10 follows:

11 "33-23-12.

12 (a) Except as provided in subsection (b) of this Code section for credit insurance licenses,  
13 subsection (b.1) of this Code section, subsection (c) of this Code section for rental  
14 companies, subsection (d) of this Code section for portable electronics, and subsection (f)  
15 of this Code section for travel insurance, the Commissioner may provide by rule or  
16 regulation for licenses which are limited in scope to specific lines or sublines of insurance.

17 (b.1)(1) In lieu of requiring individual employees to obtain a limited credit insurance  
18 license pursuant to the provisions of subsection (b) of this Code section, any business  
19 entity that sells, solicits, or negotiates the lines or sublines of credit insurance pursuant  
20 to paragraph (5) of subsection (b) of this Code section may make application to the  
21 Commissioner for a limited credit insurance agency license so long as:

22 (A) The entity examines the character and fitness of each of its employees that sell,  
23 solicit, or negotiate credit insurance on its behalf to the satisfaction of the  
24 Commissioner, including but not limited to performing criminal background checks;

25 (B) The entity provides at least five hours of training in minimum basic insurance  
26 concepts and credit insurance subjects to its employees who sell, solicit, or negotiate

27 credit insurance on its behalf prior to allowing these employees to sell, solicit or  
28 negotiate such insurance. The Commissioner shall approve materials for this training  
29 course in a manner provided for by rules and regulations. The entity shall maintain  
30 records of compliance with this subparagraph and shall submit such records upon the  
31 Commissioner's request;

32 (C) The entity provides at least two hours of annual continuing education courses  
33 taught by such entity or an insurer to its employees who sell, solicit, or negotiate credit  
34 insurance on its behalf. The Commissioner shall approve materials for this training  
35 course by rules and regulations. Such entity shall maintain records of compliance with  
36 this subparagraph and shall submit such records upon the request of the Commissioner;

37 (D) The entity submits to the Commissioner along with its application for licensure a  
38 list of employees who sell, solicit, or negotiate credit insurance on behalf of the entity  
39 in a manner prescribed by the Commissioner. Such entity shall update such employee  
40 list in a manner prescribed by the Commissioner; and

41 (E) The entity submits to the Commissioner with its application for licensure a list of  
42 all physical locations where its employees sell, solicit, or negotiate credit insurance on  
43 its behalf. The entity shall update such list in a manner prescribed by the  
44 Commissioner.

45 (2) The entity shall make application to the Commissioner for a limited credit insurance  
46 agency license in such form or forms and providing such information as the  
47 Commissioner may prescribe and shall pay an initial license fee pursuant to Code  
48 Section 33-8-1 or as provided for by rules and regulations.

49 (3) The lines or sublines of insurance included in the scope of authority of limited credit  
50 insurance agency licenses issued under this subsection shall include such licenses as  
51 provided for in paragraph (5) of subsection (b) of this Code section.

52 (4) Any limited credit insurance agency license issued under this subsection shall also  
53 authorize any employee of such limited licensee to act individually on behalf and under  
54 the supervision of such limited licensee with respect to selling, soliciting, and negotiating  
55 the kinds of coverage specified in this subsection only and any such employee shall be  
56 authorized to receive related compensation, notwithstanding any other provision of law.

57 (5) In the event that any provision of this title is violated by a limited licensee or any  
58 employee selling, soliciting, or negotiating credit insurance on behalf of such limited  
59 licensee, the Commissioner may:

60 (A) Revoke, suspend, or place on probation the entity's limited credit insurance agency  
61 license issued under this subsection in accordance with the provisions of Code  
62 Sections 33-23-21 and 33-23-22, and the procedures for notice and the conduct of  
63 hearings pursuant to Chapter 2 of this title; or

64 (B) Impose such other penalties, including but not limited to suspending the transaction  
65 of insurance at specific locations where violations of this subsection have occurred as  
66 the Commissioner determines to be necessary or convenient to carry out the purposes  
67 of this subsection in accordance with the procedures for notice and the conduct of  
68 hearings set forth in Chapter 2 of this title.

69 (6) An appeal from any order or decision of the Commissioner made pursuant to this  
70 subsection shall be conducted pursuant to Chapter 2 of this title.

71 (7) Limited credit insurance agency licenses issued pursuant to this Code section shall  
72 renew biennially on December 31 of the applicable renewal year. The entity shall make  
73 application for renewal to the Commissioner for such licenses in such form or forms and  
74 containing such information required by the Commissioner and shall pay a renewal  
75 license fee pursuant to Code Section 33-8-1 and rules and regulations."

76 **SECTION 2.**

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