

Senate Bill 156

By: Senators Mallow of the 2nd, Harbison of the 15th, Merritt of the 9th, Islam Parkes of the 7th, Lucas of the 26th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 33-9-4 of the Official Code of Georgia Annotated, relating to
2 standards applicable to making and use of rates, so as to add census tract to the categories
3 upon which insurers may not consider when promulgating standards or rating plans; to
4 amend Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating
5 to general insurance provisions, so as to broadly address insurer premium rate increases; to
6 require certain disclosures; to establish a new state-run database; to require the submission
7 of certain data in certain situations; to increase penalties; to provide for a minimum number of
8 days of notice for nonrenewals across all lines of insurance; to provide for a short title; to
9 provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 This Act shall be known and may be cited as the "Georgia Insurance Premium Reduction
13 Act."

14 **SECTION 2.**

15 Code Section 33-9-4 of the Official Code of Georgia Annotated, relating to standards
16 applicable to making and use of rates, is amended by revising paragraph (9) as follows:

17 "(9) No insurer shall base any standard or rating plan on vehicle insurance, in whole or
18 in part, directly or indirectly, upon race, creed, ~~or~~ ethnic extraction, or census tract; and"

19 **SECTION 3.**

20 Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to
21 general insurance provisions, is amended in Code Section 33-24-45, relating to cancellation
22 or nonrenewal of automobile or motorcycle policies and procedure for review by
23 Commissioner, by revising subparagraph (e)(5)(B) as follows:

24 "(B) In addition to other requirements, a notice of nonrenewal shall contain the
25 provisions of subparagraph (A) of this paragraph; in substantially the form which
26 follows:

27 **NOTICE**

28 Code Section 33-24-45 of the Official Code of Georgia Annotated provides that this
29 insurer must, upon request, furnish you with the reasons for the failure to renew this
30 policy. If you wish to assert that the nonrenewal is unlawful, you ~~must~~ shall file a
31 written notice with this insurer before the time at which the nonrenewal becomes
32 effective. The notice must specify the manner in which the failure to renew is alleged
33 to be unlawful.

34 If you do not file the written notice, you may not later assert a claim or action against
35 this insurer based upon an unlawful nonrenewal."

36 **SECTION 4.**

37 Said article is further amended by adding a new Code section to read as follows:

38 "33-24-59.34.

39 (a) All insurers in this state shall disclose on such insurer's public website all requests
40 made to the department to increase premium rates by more than 5 percent. All such
41 disclosures shall be accompanied by a justification report. The term 'justification report'
42 means a document which describes such insurer's reasoning and the data relied upon which
43 form the basis for such insurer's request.

44 (b) The department shall establish a state-run online database where consumers can
45 compare coverage options and insurance rates of all lines of insurance policies filed with
46 the department. At the discretion of the department, such database may not contain
47 information already publicly available on the All-Payer Claims Database.

48 (c) Notwithstanding any provision of law to the contrary, all insurers requesting
49 department approval of premium rate increases of more than 5 percent shall submit detailed
50 actuarial data to support such request.

51 (d) Notwithstanding any provision of law to the contrary, the Commissioner shall hold
52 public hearings in accordance with Code Section 33-2-17 and other relevant law on all
53 premium rate increase requests of more than 10 percent.

54 (e) No insurer shall collude with another insurer with regard to premium rates. Any
55 insurer found by the Commissioner to have violated this subsection and whose actions are
56 determined by the Commissioner to have contributed toward premium inflation shall also
57 be found to have committed an unfair trade practice or act in violation of Code
58 Section 33-6-4.

59 (f) No insurer shall settle litigation with the primary purpose of manufacturing losses to
60 justify premium increases. Any insurer determined by the Commissioner to have violated
61 this subsection shall also be found to have committed an unfair trade practice or act in
62 violation of Code Section 33-6-4.

63 (g) No insurance policy may be sold to a consumer in this state without such consumer
64 being represented by an independent insurance broker."

65 **SECTION 5.**

66 Said article is further amended by adding a new Code section to read as follows:

67 "33-24-47.2.

68 Notwithstanding any provision of law to the contrary, no insurance policy in this state shall
69 be nonrenewed unless the insured is provided at least 60 days' written notice of such
70 nonrenewal. Such notice of nonrenewal shall be delivered either in person or by depositing
71 the notice in the United States mail to be dispatched by at least first-class mail to the last
72 address of record of the insured with return receipt requested as provided by the United
73 States Postal Service, or such other evidence of mailing as prescribed or accepted by the
74 United States Postal Service."

75 **SECTION 6.**

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