

House Bill 606

By: Representatives Lim of the 98th and Lupton of the 83rd

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 33 of Title 33 of the Official Code of Georgia Annotated, relating to fair
2 access to insurance requirements, so as to authorize the directors of the underwriting
3 association affiliated with the Fair Access to Insurance Requirements (FAIR) Plan to, subject
4 to the Commissioner's approval, redistribute risks to insurers in the plan on a more equitable
5 basis; to provide for a short title; to provide legislative findings; to provide for an effective
6 date; to provide for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 This Act shall be known and may be cited as the "FAIR Plan Stabilization Act."

10 **SECTION 2.**

11 The General Assembly finds that:

12 (1) Each insurer writing property insurance in this state is required to be a member of an
13 assigned risk pool (the FAIR Plan) and its affiliated underwriting association;

14 (2) The FAIR Plan is designed to provide property insurance to individuals and businesses
15 that are unable to obtain coverage through the private market;

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- 16 (3) The FAIR Plan is backed by insurers licensed in Georgia who currently share the
17 profits, losses, and expenses of the assigned risk pool proportionally to their market share;
18 and
19 (4) Allowing risk to be spread more broadly may reduce individual insurer exposure,
20 further stabilize the FAIR Plan, and decrease the incentive for insurers to cherry-pick
21 low-risk policies.

22 SECTION 3.

23 Chapter 33 of Title 33 of the Official Code of Georgia Annotated, relating to fair access to
24 insurance requirements, is amended by revising Code Section 33-33-3, relating to
25 requirement of participation in plan by property insurers, as follows:

26 "33-33-3.

27 (a) Each insurer authorized to write and writing property insurance in this state shall be
28 required to become and remain a member of the plan and the underwriting association and
29 to comply with the requirements of the plan and the underwriting association as a condition
30 of its authority to transact property insurance business.

31 (b) Each insurer shall participate in the writings, expenses, profits, and losses of the
32 association in the following manner:

33 (1) For habitational risks, the same proportion as its habitational premiums written bear
34 to the aggregate habitational premiums written by all insurers in the program; ~~and~~

35 (2) For commercial risks, the same proportion as its commercial premiums written bear
36 to the aggregate commercial premiums written by all insurers in the program; and

37 (3) Notwithstanding paragraphs (1) and (2) of this subsection, each insurer shall
38 participate in the writings, expenses, profits, and losses of the association as provided for
39 by equitable distribution in accordance with subsection (d) of Code Section 33-33-4."

40 **SECTION 4.**

41 Said chapter is further amended by revising Code Section 33-33-4, relating to powers of
42 commissioner generally, as follows:

43 "33-33-4.

44 (a) The directors of the association shall submit to the Commissioner, for review, a
45 proposed Fair Access to Insurance Requirements Plan and articles of association consistent
46 with this chapter.

47 (b) The Fair Access to Insurance Requirements Plan and articles of association shall be
48 subject to approval by the Commissioner and shall take effect ten days after having been
49 approved by the Commissioner. If the Commissioner disapproves all or any part of the
50 proposed plan and articles, the directors of the association shall within 30 days submit for
51 review an appropriately revised plan and articles; and, if the directors fail to do so, the
52 Commissioner shall thereafter promulgate such plan and articles consistent with this
53 chapter.

54 (c) The directors of the association may, on their own initiative or at the request of the
55 Commissioner, amend the plan and articles, subject to approval by the Commissioner.

56 (d) The directors of the association may, subject to the approval of the Commissioner,
57 provide for the equitable redistribution of risks provided for in this chapter by means of
58 assignments to members of the Fair Access to Insurance Requirements Plan. If such
59 equitable redistribution is not implemented as provided in this subsection, all risks shall be
60 distributed as described in paragraphs (1) and (2) of subsection (b) of Code Section
61 33-33-3."

62 **SECTION 5.**

63 This Act shall become effective on January 1, 2026.

64 **SECTION 6.**

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