

Senate Bill 364

By: Senators Hatchett of the 50th, Strickland of the 42nd, Tillery of the 19th, Summers of the 13th, Robertson of the 29th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to
2 regulations of rates, underwriting rules, and related organizations, so as to provide for new
3 penalties for insurers that knowingly give false or misleading information to the
4 Commissioner of Insurance and such information affected insurance premium rates; to
5 provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to regulation of
9 rates, underwriting rules, and related organizations, is amended by revising Code Section
10 33-9-29, relating to issuance of remedial orders by Commissioner generally and suspension
11 or revocation of certificate of authority or license, as follows:

12 "33-9-29.

13 If after a hearing pursuant to Code Section 33-9-28 the Commissioner finds:

14 (1) That any rate, rating plan, or rating system violates the applicable provisions of this
15 chapter, he or she may issue an order to the insurer or rating organization which has been
16 the subject of the hearing specifying in what respects the violation exists and stating

17 when, within a reasonable period of time, the further use of the rate or rating system by
18 the insurer or rating organization in contracts of insurance made thereafter shall be
19 prohibited and may further order that the portion of premiums received from current
20 policyholders as a result of the most recent rate increase at the time the notice of such
21 hearing is issued shall be refunded to the policyholders;

22 (2) That an insurer, rating organization, advisory organization, or similar organization
23 by another name willfully withheld information from, or knowingly gave false or
24 misleading information to, the Commissioner in an attempt to affect the rates, rating
25 systems, or premiums approved or allowed by the Commissioner, the Commissioner may
26 further order that such organization pay the department up to ten times the amount in
27 finesthat such organization is required to refund policyholders in accordance with
28 paragraph (1) of this Code section. Such authority shall be in addition to all of the
29 Commissioner's other authority to impose fines under this title;

30 ~~(2)~~(3) That an insurer, rating organization, advisory organization, or a group, association,
31 or other organization of insurers which engages in joint underwriting or joint reinsurance
32 is in violation of the provisions of this chapter applicable to it other than the provisions
33 dealing with rates, rating plans, or rating system, he or she may issue an order to the
34 insurer, organization, group, or association which has been the subject of the hearing
35 specifying in what respects the violation exists and requiring compliance within a
36 reasonable time thereafter;

37 ~~(3)~~(4) That the violation of this chapter applicable to it by any insurer or rating
38 organization which has been the subject of the hearing was willful, he or she may suspend
39 or revoke, in whole or in part, the certificate of authority of each insurer or the license of
40 each rating organization with respect to the class of insurance which has been the subject
41 matter of the hearing; or

