

House Bill 1262

By: Representatives Lumsden of the 12th, Reeves of the 99th, Taylor of the 173rd, Gambill of the 15th, Williamson of the 112th, and others

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 increase the amount of monetary penalties the Commissioner of Insurance is authorized to
3 impose for violations of the Georgia Insurance Code relative to mental health parity, general
4 enforcement authority, surprise billing, and prepaid legal services plans; to provide for
5 related matters; to provide for an effective date; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in
10 Chapter 1, relating to general provisions, by revising paragraph (1) of subsection (i) of Code
11 Section 33-1-27, relating to insurance coverage for mental health and substance abuse
12 disorders, compliance with mental health parity requirements, complaints and violations, and
13 appointment of mental health parity officer, as follows:

14 "(i)(1) If the Commissioner determines that a health insurer failed to submit a timely
15 or sufficient report required under paragraph (4) of subsection (b) of this Code section
16 or failed to submit timely and sufficient data pursuant to a data call conducted pursuant

17 to paragraph (1) of subsection (c) of this Code section, the Commissioner may impose
18 a monetary penalty of up to ~~\$2,000.00~~ \$10,000.00 for each and every act in violation,
19 unless the insurer knew or reasonably should have known that he or she was in
20 violation, in which case the monetary penalty may be increased to an amount of up to
21 ~~\$5,000.00~~ \$25,000.00 for each and every act in violation."

22 **SECTION 2.**

23 Said title is further amended in Chapter 2, relating to Department and Commissioner, by
24 revising subsection (g) of Code Section 33-2-24, relating to enforcement of title and rules,
25 regulations, and orders, issuance of orders without hearings, civil actions, criminal violations,
26 and penalties, as follows:

27 "(g) In addition to all other penalties provided for under this title, the Commissioner shall
28 have the authority:

29 (1) To place any person duly licensed under this title on probation for a period of time
30 not to exceed one year for each and every act in violation of this title or of the rules,
31 regulations, or orders of the Commissioner; and

32 (2) To subject any person duly licensed or that should be licensed under this title to a
33 monetary penalty of up to ~~\$2,000.00~~ \$10,000.00 for each and every act in violation of this
34 title or of the rules, regulations, or orders of the Commissioner, unless such person knew
35 or reasonably should have known he or she was in violation of this title or of the rules,
36 regulations, or orders of the Commissioner, in which case the monetary penalty provided
37 for in this paragraph may be increased to an amount up to ~~\$5,000.00~~ \$25,000.00 for each
38 and every act in violation."

39 **SECTION 3.**

40 Said title is further amended in Chapter 20E, relating to the "Surprise Billing Consumer
41 Protection Act," by revising subsection (a) of Code Section 33-20E-26, relating to
42 enforcement and monetary penalties, as follows:

43 "(a) For each and every act in violation of Code Section 33-20E-24, the Commissioner
44 may impose a monetary penalty of up to ~~\$2,000.00~~ \$10,000.00, unless the insurer knew or
45 reasonably should have known of the violation, in which case the monetary penalty
46 imposed may be up to ~~\$5,000.00~~ \$25,000.00 for each and every act in violation."

47 **SECTION 4.**

48 Said title is further amended in Chapter 35, relating to prepaid legal services plans, by
49 revising subsection (c) of Code Section 33-35-7, relating to grounds and procedure for
50 revocation, suspension, or refusal to renew licenses, imposition of probation or fine, and
51 review, as follows:

52 "(c) In lieu of revoking, suspending, or refusing to renew the license for any of the causes
53 enumerated in subsection (a) of this Code section, after any hearing as provided in this
54 subsection the Commissioner may place the sponsor on probation for a period of time not
55 to exceed one year or may fine the sponsor not more than ~~\$2,000.00~~ \$10,000.00 for each
56 offense, or ~~to~~ both, when, in the Commissioner's judgment he or she finds that the public
57 interest would not be harmed by the continued operation of the sponsor. The amount of
58 any penalty shall be paid by such sponsor to the Commissioner for the use of the state."

59 **SECTION 5.**

60 This Act shall become effective upon its approval by the Governor or upon its becoming law
61 without such approval.

62

SECTION 6.

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