

House Bill 1344

By: Representatives Reeves of the 99th, Burns of the 159th, Lumsden of the 12th, Kelley of the 16th, Hugley of the 141st, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Titles 33 and 40 of the Official Code of Georgia Annotated, relating to insurance
2 and motor vehicles and traffic, respectively, so as to strengthen the enforcement authority of
3 the Commissioner of Insurance and to clarify regulations on insurance, insurance fraud,
4 uninsured motorists, excluded drivers, premium tax, insurance rates, claims processing, and
5 uninsured or unregistered motor vehicles; to provide for the submission of information on
6 suspected insurance fraud; to provide for certain entities to pay fees into the Special
7 Insurance Fraud Fund; to provide for the Commissioner of Insurance to employ prosecuting
8 attorneys for the prosecution of insurance fraud; to prohibit the solicitation, release, or sale
9 of automobile accident information; to provide for the Department of Economic
10 Development to recruit and retain insurers to this state through the creation of the Insurance
11 is At Home in Georgia Program; to provide for timely claims processing after a catastrophic
12 event; to provide for reporting the use of premium tax funds; to authorize the Commissioner
13 of Insurance to consider all available information when reviewing insurance rates; to provide
14 for contractual limitations; to provide for exemptions; to provide for storm damage
15 mitigation through the Georgia Storm Mitigation Program; to provide for funding; to provide
16 for matching and nonmatching grants; to provide for eligibility; to provide for mitigation
17 contractors; to provide for excluded drivers; to provide for increased fees for driving without
18 minimum motor vehicle insurance coverage; to increase the amount of certain monetary

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19 penalties the Commissioner of Insurance is authorized to impose for violations of the
20 Georgia Insurance Code; to provide for related matters; to provide for short titles; to provide
21 for legislative purposes; to provide for an effective date and applicability; to repeal
22 conflicting laws; and for other purposes.

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

24 **PART I**

25 *Short title and legislative purposes*

26 **SECTION 1-1.**

27 This Act shall be known and may be cited as the "Georgia Insurance Affordability and
28 Claims Integrity Act."

29 **SECTION 1-2.**

30 (a) The purposes of this Act are to ensure that Georgia consumers, including businesses and
31 individuals, have access to:

32 (1) Affordable quality insurance coverage without being subjected to unjustified rate
33 hikes or unfair business practices; and

34 (2) Fair and transparent insurance policies under which claims are processed
35 expeditiously and in compliance with policy provisions and federal and state law.

36 (b) These purposes shall be accomplished by enhancing the Commissioner of Insurance's
37 authority; clarifying the regulation of insurance fraud, uninsured motorists, excluded drivers,
38 premium tax, insurance rates, and claims processing; encouraging cooperation among state
39 agencies; and improving accountability for uninsured and unregistered motor vehicles
40 through technology.

PART II*Insurance fraud***SECTION 2-1.**

44 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in
45 Chapter 1, relating to general provisions, by revising subsection (f) of Code Section 33-1-16,
46 relating to investigation of fraudulent insurance act, collection of evidence, immunity from
47 liability, public inspection, and enforcement, as follows:

48 "(f) Any person, other than an insurer, agent, or other person licensed under this title, or
49 an employee thereof, having knowledge of or who believes that a fraudulent insurance act
50 is being or has been committed may send to the Commissioner a report of information
51 pertinent to such knowledge of or belief and such additional information relative thereto
52 as the Commissioner may request. Any insurer, agent, or other person licensed under this
53 title, or an employee thereof, having knowledge of or who believes that a fraudulent
54 insurance act is being or has been committed shall send to the Commissioner a report or
55 information pertinent to such knowledge or belief and such additional information relative
56 thereto as the Commissioner or his or her employees or agents may require. Any insurer
57 that conducts an independent investigation of suspected insurance fraud shall not be
58 required to complete such investigation before sending information pertinent to such
59 investigation to the Commissioner. The Commissioner or his or her employees or agents
60 shall review such information or reports as, in the judgment of the Commissioner or such
61 employees or agents, may require further investigation. The Commissioner shall then
62 cause an investigation of the facts surrounding such information or report to be made to
63 determine the extent, if any, to which a fraudulent insurance act is being committed and
64 shall report any alleged violations of law which the investigations disclose to the
65 appropriate prosecuting attorney having jurisdiction with respect to any such violation. If
66 prosecution by the prosecuting attorney is not begun within 90 days of the report, the

67 prosecuting attorney shall inform the Commissioner of the reasons for the lack of
68 prosecution."

69 **SECTION 2-2.**

70 Said title is further amended in said chapter by revising subsection (c) of Code Section
71 33-1-17, relating to Special Insurance Fraud Fund, as follows:

72 "(c)(1) The Commissioner shall prepare, on an annual basis, a separate budget request
73 to the General Assembly which sets forth the anticipated cost and expense of funding the
74 investigation and prosecution of insurance fraud in this state for the ensuing 12 months.
75 Such budget request shall set forth the annual cost and expense of the investigation and
76 prosecution of insurance fraud in ~~Georgia~~ this state for the preceding 12 months.

77 (2) There is imposed upon each foreign, alien, and domestic insurance company doing
78 business in the state an annual assessment under a formula to be established by regulation
79 promulgated by the Commissioner. The formula shall be calculated such that the total
80 proceeds paid or collected from such assessments for any year shall not exceed the
81 amounts appropriated by the General Assembly pursuant to paragraph (3) of this
82 subsection, which appropriation shall be based upon the budget request setting forth the
83 applicable annual cost and expense of the investigation and prosecution of insurance
84 fraud in ~~Georgia~~ this state submitted by the Commissioner. Such assessments may be
85 measured by kind of company, kind of insurance, income, volume of transactions, or such
86 other factors as the Commissioner ~~determines~~ deems appropriate. Assessments based on
87 the annual appropriation shall be due on September 1 of the year of the assessment. Any
88 insurance company which fails to report and pay any such assessment shall be subject to
89 penalties and interest as provided by subsection (d) of Code Section 33-8-6. The
90 Commissioner shall provide by regulation for such other terms and conditions for the
91 payment or collection of such assessments as may be necessary to ensure the proper
92 payment and collection thereof. Notwithstanding the foregoing, the provisions of this

93 Code section shall not apply to ~~an agency captive insurance company~~, any certified
 94 dormant captive insurance company. ~~Any agency captive insurance company~~, industrial
 95 insured captive insurance company, sponsored captive insurance company (including a
 96 protected cell thereof), or pure captive insurance company. ~~Foreign and~~ shall pay a fixed
 97 amount of \$100.00 per year into the Special Insurance Fraud Fund, and any foreign or
 98 alien captive insurance companies company doing business in ~~Georgia~~ this state shall;
 99 ~~however,~~ pay a fixed amount of ~~\$100.00~~ \$200.00 per year into the Special Insurance
 100 Fraud Fund, without regard to the amount of the ~~Georgia~~ this state premium written by
 101 such ~~foreign or alien~~ captive insurance company. No additional amount shall be assessed
 102 against ~~the foreign or alien~~ any captive insurance company for the purpose of funding the
 103 investigation and prosecution of insurance fraud.

104 (3) The General Assembly may appropriate funds to the department for the investigation
 105 ~~of insurance fraud~~ and ~~for the funding of the~~ prosecution of insurance fraud. The
 106 Commissioner is authorized to use such funds for the investigation of insurance fraud and
 107 to reimburse prosecuting attorneys for some or all of the costs of retaining assistant
 108 prosecuting attorneys to prosecute insurance fraud cases. The Commissioner is further
 109 authorized to use such funds to employ prosecuting attorneys for the prosecution of
 110 insurance fraud, which the district attorney in each judicial circuit may appoint in the
 111 manner as provided in Code Section 15-18-20. The Commissioner shall provide by
 112 regulation for such other terms and conditions for the use of the funds for the
 113 investigation, reimbursement, and prosecution contemplated by the terms of this
 114 paragraph."

115 **SECTION 2-3.**

116 Said title is further amended in said chapter by adding a new Code section to read as follows:

117 "33-1-9.2.

118 (a) As used in this Code section, the term:

119 (1) 'Capper,' 'runner,' or 'steerer' means a person who receives a pecuniary benefit from
120 a practitioner or healthcare service provider, whether directly or indirectly, to solicit,
121 procure, or attempt to procure a client, patient, or customer at the direction or request of,
122 or in cooperation with, a practitioner or healthcare service provider whose purpose is to
123 obtain benefits under a contract of insurance or to assert a claim against an insured or an
124 insurer for providing services to the client, patient, or customer. Such terms shall not
125 include:

126 (A) Any insurance company or agent or employee thereof that provides referrals or
127 recommendations to its insureds; or

128 (B) A practitioner or healthcare service provider that procures clients, patients, or
129 customers through the use of public media or by referrals or recommendations from
130 other practitioners or healthcare service providers.

131 (2) 'Practitioner' means an attorney, healthcare professional, owner or partial owner of
132 a healthcare practice or facility, or any person employed or acting on behalf of any of the
133 individuals listed in this paragraph.

134 (3) 'Public media' means telephone directories, professional directories, newspapers and
135 other periodicals, radio and television, billboards, and mailed or electronically transmitted
136 written communications that do not involve in-person contact with a specific prospective
137 client, patient, or customer.

138 (b) Except as provided for in paragraph (5) of subsection (a) of Code Section 50-18-72,
139 it is unlawful for any person in an individual capacity or in a capacity as a law enforcement
140 officer, law enforcement records staff member, wrecker services staff member, emergency
141 staff member, physician, hospital employee, or attorney to solicit, release, or sell any
142 information relating to the parties of a motor vehicle collision for personal financial gain.
143 This subsection shall not apply to mass public media advertisement and solicitation.

144 (c) It is unlawful for:

145 (1) Any person in an individual capacity or in a capacity as a public or private employee
 146 or any firm, corporation, partnership, or association to act as a capper, runner, or steerer
 147 for any practitioner or healthcare service provider. This paragraph shall not prohibit an
 148 attorney or healthcare provider from making a referral and receiving compensation as is
 149 permitted under applicable professional rules of conduct; and
 150 (2) Any practitioner or healthcare service provider to compensate or give anything of
 151 value to a person acting as a capper, runner, or steerer. It is also unlawful for any capper,
 152 runner, or steerer to recommend or secure a practitioner's or healthcare service provider's
 153 employment by a client, patient, or customer if such practitioner or healthcare service
 154 provider obtains or intends to obtain benefits under a contract of insurance or asserts a
 155 claim against an insured or an insurer for providing services to the client, patient, or
 156 customer.
 157 (d) Any person convicted of a violation of this Code section shall be guilty of a felony and,
 158 upon conviction thereof, shall be punished by imprisonment of not more than ten years and
 159 by a fine of not more than \$200,000.00 per violation."

160 **SECTION 2-4.**

161 Said title is further amended in Chapter 24, relating to insurance generally, by repealing and
 162 reserving Code Section 33-24-53, relating to solicitation, release, or sale of automobile
 163 accident information prohibited, definitions, exceptions, and penalties.

164 **PART III**

165 *Recruitment and retention of insurers*

166 **SECTION 3-1.**

167 Title 33 of the Official Code of Georgia Annotated is further amended in Chapter 1, relating
 168 to general provisions, by adding a new Code section to read as follows:

169 "33-1-28.

170 (a) Subject to appropriations, there is created the Insurance is At Home in Georgia
171 Program.

172 (b) The Department of Economic Development, in coordination with the Commissioner,
173 is authorized to pursue the recruitment and retention of insurers to keep or change
174 domiciles in or to this state and to locate local, regional, national, and international
175 headquarters and major offices in this state.

176 (c) The Department of Economic Development is authorized to promulgate any rules and
177 regulations necessary to implement and administer the provisions of this Code section."

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PART IV

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Timely claims processing and payment

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SECTION 4-1.

181 Title 33 of the Official Code of Georgia Annotated is further amended in Chapter 3, relating
182 to authorization and general requirements for transaction of insurance, by adding new Code
183 sections to read as follows:

184 "33-3-28.1.

185 (a) As used in this Code section, the term 'catastrophic event' means a major natural or
186 human caused event, including, but not limited to, windstorms, cyclones, earthquakes,
187 hurricanes, ice storms, tornadoes, high winds, floods, hail storms, or any other weather
188 events or occurrences, provided that any such event or occurrence has been declared as a
189 disaster or emergency by the President of the United States or the Governor.

190 (b) After a catastrophic event occurs in this state, the Commissioner is authorized to
191 extend the time period during which insurers require receipt of claims from insureds when,
192 at the sole determination of the Commissioner, a lack of qualified resources are available
193 for insureds to file an accurate claim.

194 (c) After a catastrophic event occurs in this state, the Commissioner is authorized to issue
195 a directive requiring every insurer to comply with the following requirements relating to
196 processing property claims arising from the catastrophic event:

197 (1) Within 15 calendar days of receiving notification of a claim, the insurer shall
198 acknowledge the claim and provide necessary claims forms and reasonable instructions
199 to the insured. Notification of a claim provided to an insurer's agent shall constitute
200 notification to the insurer. Acknowledgment of the claim made by any means other than
201 writing shall be noted and dated in the insurer's claim file on the insured. Payment within
202 15 calendar days of receiving notification of a claim shall satisfy the requirements of this
203 paragraph;

204 (2) The insurer shall affirm or deny liability on claims for losses arising from
205 catastrophic events within 15 calendar days of receiving the completed proof of loss from
206 the insured under a motor vehicle policy and within 60 calendar days of receiving the
207 completed proof of loss from the insured under all other property insurance policies. If
208 the insurer does not require proof of loss to be completed, a coverage investigation shall
209 take place within 30 calendar days from the day notification the claim was received;

210 (3) Payment shall be tendered to the insured within ten days after coverage is accepted
211 and the full amount of the claim is determined and not in dispute. In claims where
212 multiple coverages are involved, payment for individual coverages that are not in dispute
213 shall be tendered within ten days after coverage is confirmed if such payment would
214 terminate the insurer's known liability under that individual coverage;

215 (4) If the insurer needs more time than specified in paragraph (3) of this subsection to
216 determine liability, such insurer shall notify the claimant within five business days after
217 the time limitation has elapsed that more time is needed, the reason more time is needed,
218 and an estimate of additional time needed to establish liability. Notification by any other
219 means than writing shall be noted and dated in the insurer's claim file on the insured; and

220 (5) The total time the insurer has to affirm or deny liability shall not exceed 60 days from
221 the time the insurer is notified of the claim, unless the insurer has documented in the
222 claim file that reasonable and necessary information to determine liability has been
223 requested and not been provided by the insured."

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PART V

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Reporting use of insurance premium tax

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SECTION 5-1.

227 Title 33 of the Official Code of Georgia Annotated is further amended in Chapter 8, relating
228 to fees and taxes, by revising Code Section 33-8-8.2, relating to county and municipal
229 corporation taxes on other than life insurance companies, by adding a new subsection to read
230 as follows:

231 "(f) On or before January 1, 2027, and annually thereafter, any county or municipal
232 corporation receiving allocated taxes collected pursuant to this Code section shall file with
233 the Commissioner an annual report on a form prescribed by the Commissioner
234 demonstrating how funds were used to promote homeowner and private passenger
235 automobile premium decreases through fire safety initiatives, property damage prevention
236 mitigation, traffic safety initiatives, insurance fraud prevention, uninsured motorist
237 enforcement, insurance financial literacy, claims mitigation measures, or other insurance
238 cost savings."

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PART VI

Review of insurance rates

SECTION 6-1.

242 Title 33 of the Official Code of Georgia Annotated is amended in Chapter 9, relating to
243 regulation of rates, underwriting rules, and related organizations, by adding a new subsection
244 to Code Section 33-9-21, relating to maintenance and filing rates, rating plans, rating
245 systems, or underwriting rules and examination of claim reserve practices by Commissioner,
246 to read as follows:

247 "(h) The Commissioner is authorized to consider all information available to the
248 department, including, but not limited to, any and all filings, applications, and renewals
249 made to the department; filings made pursuant to this chapter; data submissions made
250 pursuant to directives, bulletins, and data calls; disclosures and reports from financial
251 examinations; disclosures and reports from market conduct examinations; complaints
252 submitted to the department and other state agencies; complaints, investigations, and
253 reports by insurance departments in other states; complaints, investigations, and reports by
254 federal agencies; orders, consent orders, and consent agreements; fines, penalties, and other
255 assessments imposed by the department or other state agencies; and litigation by and
256 against the company."

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PART VII

Contractual limitations

SECTION 7-1.

260 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in
261 Chapter 24, relating to insurance generally, by adding a new Code section to read as follows:

262 "33-24-59.37.

263 (a) No property, casualty, credit, marine and transportation, or vehicle insurance policy
264 providing first-party insurance coverage for loss or damage to any type of real or personal
265 property in this state, or any related contract or instrument to such policy, shall contain a
266 contractual limitation requiring commencement of any suit or action within a specified
267 period of time of less than two years from the date of loss; provided, however, that such
268 limitation shall apply only to the portion or portions of such policies providing first-party
269 property insurance coverage. This subsection shall apply to all such policies issued,
270 delivered, issued for delivery, or renewed in this state on and after July 1, 2027.

271 (b) Liability coverage and workers' compensation coverage are expressly exempted from
272 the requirements of subsection (a) of this Code section."

273 **PART VIII**

274 *Georgia Storm Damage Mitigation Program*

275 **SECTION 8-1.**

276 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in
277 Chapter 32, relating to property insurance, by adding a new article to read as follows:

278 "ARTICLE 3

279 33-32-20.

280 This article shall be known and may be cited as the 'Georgia Storm Damage Mitigation
281 Program Act.'

282 33-32-21.

283 As used in this article, the term:

284 (1) 'Program' means the Georgia Storm Damage Mitigation Program.

285 (2) 'Residential property' means real property used or occupied as the primary residence
286 of a natural person.

287 33-32-22.

288 (a) There is established the Georgia Storm Damage Mitigation Program within the
289 department for the purpose of reducing the financial impact of property insurance claims
290 in this state by mitigating losses and lowering repair costs through a comprehensive and
291 coordinated approach to remedy damages due to tornadoes, hurricanes, and windstorms.

292 (b) The Commissioner shall administer the program and is authorized to appoint a program
293 administrator.

294 (c) The program shall not create an entitlement for residential property owners or obligate
295 the state in any way to fund the inspection or retrofitting of residential property.

296 33-32-23.

297 (a) Implementation of the Georgia Storm Damage Mitigation Program is subject to
298 sufficient funds provided through annual legislative appropriations and other funds as
299 provided for in this Code section.

300 (b) The program shall be funded through the use of all premium taxes collected from the
301 underwriting association established pursuant to Chapter 33 of this title and through
302 one-tenth of 1 percent of state insurance premium taxes collected annually and remitted to
303 the department pursuant to Code Section 33-8-4.

304 (c) The Commissioner or the program administrator is authorized to solicit and accept
305 federal funding in support of the program as well as private funding, public grants, in-kind
306 gifts, or any other funding or donations from individuals, private organizations, or
307 foundations.

308 33-32-24.

309 (a) The department is authorized to award grants under the program subject to the
310 availability of funds.

311 (b) Grants may be used for the following improvements to residential property:

312 (1) Roof deck attachments;

313 (2) Secondary water barriers;

314 (3) Roof coverings;

315 (4) Brace gable ends;

316 (5) Reinforcement of roof-to-wall connections;

317 (6) Opening protections;

318 (7) Exterior doors, including, but not limited to, garage doors;

319 (8) Tie downs;

320 (9) Fixing problems associated with weakened trusses, studs, and other structural
321 components;

322 (10) Inspection and repair or replacement of manufactured home piers, anchors, and
323 tie-down straps; and

324 (11) Any other mitigation techniques recommended by the Commissioner or the program
325 administrator, as provided in rules and regulations promulgated by the Commissioner.

326 33-32-25.

327 (a) Any grants issued pursuant to this Code section shall be used to assist owners of a
328 single-family dwelling or site-built, manufactured, or modular, owner occupied, residential
329 property to retrofit such property to be less vulnerable to hurricanes, tornadoes, hail,
330 windstorms, or flooding damage.

331 (b) To be eligible for a grant, a residential property shall be:

332 (1) A single-family dwelling or a site-built, manufactured, or modular residential
333 property that is owned and occupied by the applicant;

- 334 (2) The legal residence of the applicant; and
335 (3) Covered by a current homeowners or dwelling insurance policy that:
336 (A) Is issued by an insurer authorized to insurance in this state, issued by a surplus
337 lines insurer when lawfully placed by a surplus lines broker authorized to do business
338 in this state, or is covered through the underwriting association established pursuant to
339 Chapter 33 of this title;
340 (B) Provides insurance coverage of the residential property equal to or greater than the
341 fair market value of the property as such term is defined in Code Section 48-5-2; and
342 (C) Has undergone an acceptable wind certification and hurricane mitigation inspection
343 in accordance with program requirements.
- 344 (c) The type and amount of grants shall be awarded as follows:
345 (1) A resilient mitigation award for roof retrofits meeting industry standards and
346 guidelines, such as Georgia Strong Home retrofit guidelines and Institute for Business
347 and Home Safety Fortified Roof retrofit guidelines for a residential property, as may be
348 provided for by rules. Such award shall not exceed \$6,000.00 for matching grants or
349 \$7,500.00 for nonmatching grants;
350 (2) A sustainable mitigation award for roof retrofits meeting industry standards and
351 guidelines, such as Georgia Strong Home retrofit guidelines only, or for window
352 replacement and opening protection retrofits meeting industry standards and guidelines,
353 such as Georgia Strong Home opening protection guidelines for residential property, as
354 may be provided for by rules. Such award shall not exceed \$4,000.00 for matching grants
355 or \$5,000.00 for nonmatching grants awards; or
356 (3) A sustainable mitigation award for hurricane shuttering and protective barrier
357 systems meeting industry standards and guidelines, such as Georgia Strong Home
358 opening protection guidelines, as may be provided for by rules. Such award shall not
359 exceed \$4,000.00 for either matching or nonmatching grants.

360 (d) The amount of any nonmatching grant shall be determined based on the cost of the
361 mitigation project and a percentage of the total adjusted household income of the applicant
362 according to their most recent federal income tax return. Applicants for nonmatching
363 grants with a total annual adjusted gross household income that does not exceed the median
364 annual adjusted gross income for households within the county in which the applicant
365 resides may be eligible for the maximum amount of such grant. Applicants for
366 nonmatching grants with a total annual adjusted household income above the median for
367 households within the county in which the applicant resides may be awarded a lower grant
368 amount.

369 33-32-26.

370 Matching grants may be made available to local governments and nonprofit entities for
371 projects that reduce storm and hurricane damage to single-family dwelling or a site-built,
372 manufactured, or modular owner occupied, residential property, provided that:

373 (1) No matching grant for any one local government or nonprofit entity shall exceed
374 \$25,000.00 in any fiscal year;

375 (2) The total amount of matching grants awarded to all local governments and nonprofit
376 entities combined shall not exceed \$200,000.00 in any fiscal year;

377 (3) The difference between \$250,000.00 and the total amount of grants awarded to all
378 local governments and nonprofit entities combined in any fiscal year shall be applied to
379 grants to individual residential property owners as provided in Code Section 33-32-25;
380 and

381 (4) For any project funded, in whole or in part, by a grant pursuant to this Code section,
382 the local government or nonprofit entity shall employ multimedia public education,
383 awareness, and advertising efforts designed to specifically address mitigation techniques,
384 as well as a component to support ongoing consumer resources and referral services.

385 33-32-27.

386 (a) The department shall create a process in which mitigation contractors agree to
387 participate and seek reimbursement under the program and homeowners agree to select
388 from a list of participating contractors.

389 (b) Any mitigation projects shall be based upon the securing of all required local permits
390 and inspections and shall be subject to random reinspection. The Commissioner or the
391 program administrator may reinspect up to 10 percent of all mitigation projects.

392 33-32-28.

393 The Commissioner shall promulgate rules and regulations necessary to implement the
394 provisions of this article."

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PART IX

396

Excluded drivers

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SECTION 9-1.

398 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in
399 Chapter 34, relating to motor vehicle accident reparations, by revising Code Section 33-34-5,
400 which is designated as reserved, as follows:

401 "33-34-5.

402 (a) As used in this Code section, the term:

403 (1) 'Excluded driver' means an individual expressly designated as excluded from
404 coverage under a motor vehicle insurance policy.

405 (2) 'Motor vehicle insurance policy' means an automobile liability policy or motor
406 vehicle liability policy issued, delivered, issued for delivery, or renewed in this state on

407 and after July 1, 2027, to the owner of a motor vehicle which provides at least the
408 minimum coverage required by this chapter.

409 (b) An insurer may exclude a named individual from coverage under a motor vehicle
410 insurance policy, provided that such insurer identifies such named individual as an
411 excluded driver to the Department of Revenue as provided in Code Section 40-6-10.2.
412 Such insurer shall notify the Department of Revenue when such named individual is no
413 longer an excluded driver under such policy. Reserved."

414 **SECTION 9-2.**

415 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is
416 amended in Chapter 6, relating to uniform rules of the road, by adding a new Code section
417 to read as follows:

418 "40-6-10.2.

419 (a) As used in this Code section, the term:

420 (1) 'Excluded driver' means an individual expressly designated as excluded from
421 coverage under a motor vehicle insurance policy.

422 (2) 'Motor vehicle insurance policy' means an automobile liability policy or motor
423 vehicle liability policy issued, delivered, issued for delivery, or renewed in this state on
424 and after July 1, 2027, to the owner of a motor vehicle which provides at least the
425 minimum coverage required by Chapter 34 of Title 33.

426 (b) When an insurer excludes a named individual from coverage under a motor vehicle
427 insurance policy as provided in Code Section 33-34-5, such insurer shall identify such
428 named individual as an excluded driver under such policy in a notice to the Department of
429 Revenue. Insurance coverage information included in such notice of exclusion shall be
430 limited to the name and contact information of the insurer, the vehicle identification
431 number, the make and year of the insured motor vehicle, the policy effective date, and the
432 name of the excluded driver.

433 (c) When a law enforcement officer of this state determines that the operator of a motor
 434 vehicle is an excluded driver under the motor vehicle insurance policy for such vehicle and
 435 such operator does not have proof of effective insurance, the law enforcement officer shall
 436 issue a uniform traffic citation for operating a motor vehicle without proof of insurance as
 437 provided in Code Section 40-6-10.

438 (d) An owner who knowingly authorizes an individual to operate a motor vehicle when
 439 such individual is an excluded driver under the motor vehicle insurance policy for such
 440 vehicle and the owner knows such individual does not have other effective insurance shall
 441 be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not
 442 less than \$200.00 nor more than \$1,000.00 or confinement for not more than 12 months,
 443 or both."

444 **PART X**

445 *Uninsured motorists lapse fees*

446 **SECTION 10-1.**

447 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is
 448 amended in Chapter 2, relating to registration and licensing of motor vehicles, by revising
 449 subsection (e) of Code Section 40-2-137, relating to notice of insurance coverage and
 450 termination, lapses in insurance coverage, and insurance coverage for active duty military
 451 personnel, as follows:

452 "(e)(1) When proof of minimum motor vehicle insurance coverage is provided within the
 453 time period specified in this Code section, but there has been a lapse of coverage for a
 454 period of more than ten days, the owner shall remit a ~~\$25.00~~ \$50.00 lapse fee to the
 455 department. Failure to remit ~~the lapse~~ such fee to ~~the department~~ within 30 days of the
 456 date of such notice ~~will~~ shall result in the immediate suspension of ~~the~~ such owner's
 457 motor vehicle registration by operation of law. If any lapse fee provided for in this Code

458 section is paid to the county tax commissioner, the county shall retain ~~\$5.00~~ \$10.00
459 thereof as a collection fee.

460 (2) If proof is not provided within the time period specified in this Code section that
461 minimum motor vehicle insurance coverage is in effect, the owner's motor vehicle
462 registration shall be suspended immediately by operation of law ~~by the department~~.
463 When such proof is provided and the owner pays a ~~\$25.00~~ \$50.00 lapse fee and pays a
464 ~~\$60.00~~ \$125.00 restoration fee, the suspension shall terminate; provided, however, that
465 the commissioner may waive the lapse fee and restoration fee for any owner whose
466 vehicle registration has been suspended pursuant to this paragraph who provides proof
467 of continuous minimum motor vehicle insurance coverage. If any restoration fee
468 provided for in this Code section is paid to the county tax commissioner, the county shall
469 retain ~~\$10.00~~ \$15.00 thereof as a collection fee.

470 (3) In the event of a second suspension of the owner's registration under this Code
471 section; within a five-year period of a prior suspension, ~~the department by operation of~~
472 ~~law shall suspend the~~ such owner's motor vehicle registration shall be suspended
473 immediately by operation of law. When proof is provided that minimum motor vehicle
474 insurance coverage is in effect and the owner pays a ~~\$25.00~~ \$125.00 lapse fee and pays
475 a ~~\$60.00~~ \$150.00 restoration fee, the suspension shall terminate.

476 (4) In the event of a third or subsequent suspension of the owner's registration under this
477 Code section; within the previous five-year period from the date of the third or
478 subsequent suspension, ~~the department by operation of law shall revoke the~~ such owner's
479 motor vehicle registration shall be revoked immediately by operation of law. When proof
480 is provided that minimum motor vehicle insurance coverage is in effect and the owner
481 pays a ~~\$25.00~~ \$150.00 lapse fee and pays a ~~\$160.00~~ \$500.00 restoration fee, the owner
482 may apply for registration of the motor vehicle."

483
484
485

PART XI
Monetary penalties
SECTION 11-1.

486 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is further amended
487 in Chapter 1, relating to general provisions, by revising subsection (e) of Code Section
488 33-1-9, relating to insurance fraud, venue, penalty, and exemption, as follows:

489 “(e) A natural person convicted of a violation of this Code section shall be guilty of a
490 felony and shall be punished by imprisonment for not less than two nor more than ~~ten~~
491 fifteen years; or by a fine of up to \$100,000.00 for each and every act in violation of this
492 Code section not more than \$10,000.00, or both.”

493

SECTION 11-2.

494 Said title is further amended in said chapter by revising subsection (c) of Code Section
495 33-1-9.1, relating to crimes of staging a collision or filing a fraudulent claim and penalty, as
496 follows:

497 “(c) A person shall be guilty of the crime of making a fraudulent claim related to a staged
498 collision when such person makes, or assists in making, a claim for insurance benefits of
499 any type or brings, or assists in bringing, a civil lawsuit against another seeking monetary
500 damages with knowledge that the injuries for which insurance benefits or monetary
501 damages are sought resulted from a staged collision, or seeks to obtain any benefit to which
502 such claimant is not legally entitled. Making a fraudulent claim related to a staged
503 collision shall constitute a felony and shall be punishable by no less than one year nor more
504 than five years' imprisonment or by a fine of up to \$100,000.00 for each and every act in
505 violation of this subsection, or both.”

506 **SECTION 11-3.**

507 Said title is further amended in said chapter by revising subsection (c) of Code Section
508 33-1-15, relating to affidavit that insured's motor vehicle stolen, as follows:

509 "(c) Any person who violates subsection (b) of this Code section shall be guilty of a felony
510 and, upon conviction thereof, shall be punished by imprisonment for not less than one nor
511 more than five years or by a fine of not more than ~~\$10,000.00~~ \$20,000.00, or both."

512 **SECTION 11-4.**

513 Said title is further amended in said chapter by revising subsection (d) of Code Section
514 33-1-16.1, relating to excessive, fraudulent, or high-tech drug testing of certain individuals
515 as fraudulent insurance act, as follows:

516 "(d) A natural person convicted of a violation of this Code section shall be guilty of a
517 misdemeanor of a high and aggravated nature and shall be punished by ~~imprisonment~~
518 confinement for not more than 12 months, by a fine of not more than ~~\$1,000.00~~ \$2,500.00
519 per violation, or both."

520 **SECTION 11-5.**

521 Said title is further amended in said Chapter 6, relating to unfair trade practices, by revising
522 subsection (a) of Code Section 33-6-8, relating to issuance of cease and desist orders,
523 issuance of orders providing for other relief, change in orders, and date on which orders
524 appealable, as follows:

525 "(a) If, after the hearing provided for in Code Section 33-6-7, the Commissioner shall
526 determine that the person charged has engaged in an unfair method of competition or an
527 unfair or deceptive act or practice, he or she shall reduce his or her findings to writing and
528 shall issue and cause to be served upon the person charged with the violation a copy of the
529 findings and an order requiring such person to cease and desist from engaging in the
530 method of competition, act, or practice; and, if the act or practice is a violation of Code

531 Sections 33-6-4 and 33-6-5, the Commissioner may at his or her discretion order any one
532 or more of the following:

- 533 (1) Payment of a monetary penalty of not more than ~~\$1,000.00~~ \$5,000.00 for each and
534 every act or violation, unless the person knew or reasonably should have known he or she
535 was in violation of this article, in which case the penalty shall be not more than ~~\$5,000.00~~
536 \$25,000.00 for each and every act or violation;
- 537 (2) Suspension or revocation of the person's license, if he or she knew or reasonably
538 should have known he or she was in violation of this article; or
- 539 (3) Any other relief as is reasonable and appropriate."

540 **SECTION 11-6.**

541 Said title is further amended in said chapter by revising Code Section 33-6-9, relating to
542 penalties for violations of cease and desist orders, as follows:

543 "33-6-9.

544 After notice and hearing and upon order of the Commissioner, any person who violates a
545 cease and desist order under Code Section 33-6-8, while the order is in effect may, at the
546 discretion of the Commissioner, be subject to any one or more of the following:

- 547 (1) A monetary penalty of not more than ~~\$10,000.00~~ \$15,000.00 for each and every act
548 or violation;
- 549 (2) Suspension or revocation of such person's license; or
- 550 (3) Any other relief as is reasonable and appropriate."

551 **SECTION 11-7.**

552 Said title is further amended in Chapter 9, relating to regulation of rates, underwriting rules,
553 and related organizations, by revising Code Section 33-9-38, relating to penalty for failure
554 to comply with final order of Commissioner and penalty for willful violation of provision of
555 chapter, as follows:

556 "33-9-38.

557 (a) Any person, insurer, organization, group, or association who fails to comply with a
 558 final order of the Commissioner under this chapter shall be liable to the state in an amount
 559 not exceeding ~~\$50.00~~ \$1,000.00; but, if such failure is willful, the person, insurer,
 560 organization, group, or association shall be liable to the state in an amount not exceeding
 561 ~~\$5,000.00~~ \$10,000.00. The Commissioner shall collect the amount so payable and may
 562 bring an action in the name of the people of the State of Georgia to enforce collection.
 563 Such penalties may be in addition to any other penalties provided by law.

564 (b) Any person who willfully violates this chapter shall be guilty of a misdemeanor."

565 **SECTION 11-8.**

566 Said title is further amended in Chapter 15, relating to fraternal benefit societies, by revising
 567 Code Section 33-15-122, relating to violations and penalties, as follows:

568 "33-15-122.

569 (a) Any person, officer, member, or examining physician of any society doing business
 570 under this chapter who shall knowingly or willfully make any false or fraudulent statement
 571 or representation in or relating to any application for membership or for the purpose of
 572 obtaining money from or a benefit in any society shall be guilty of a misdemeanor of a high
 573 and aggravated nature and shall be punished by confinement for not less than one nor more
 574 than five years or by a fine of not more than \$5,000.00, or both.

575 (b) Any person who willfully makes a false or fraudulent statement in any verified report
 576 or declaration under oath required or authorized by this chapter or of any material fact or
 577 thing contained in a sworn statement concerning the death or disability of an insured for
 578 the purpose of procuring payment of a benefit named in the certificate shall be guilty of
 579 ~~false swearing~~ a misdemeanor of a high and aggravated nature and shall be subject to the
 580 ~~penalties therefor prescribed by Code Section 16-10-71~~ punished by confinement for not
 581 less than one nor more than five years or by a fine of not more than \$5,000.00, or both.

582 (c) Any person who solicits membership for, or in any manner assists in procuring
 583 membership in, any society not licensed to do business in this state shall, upon conviction
 584 thereof, be fined not less than \$50.00 nor more than \$200.00.

585 (d) Any person guilty of a willful violation of, or neglect or refusal to comply with, the
 586 provisions of this chapter for which a penalty is not otherwise prescribed shall, upon
 587 conviction thereof, be subject to a fine not to exceed ~~\$200.00~~ \$5,000.00."

588 **SECTION 11-9.**

589 Said title is further amended in Chapter 22, relating to insurance premium finance
 590 companies, by revising subsection (e) of Code Section 33-22-3, relating to requirement of
 591 license for transaction of business, fees, change of address, and examination of applicants,
 592 as follows:

593 "(e) Any person who shall engage in the business of financing insurance premiums in this
 594 state without obtaining a license as provided in this Code section shall, upon conviction,
 595 be subject to a fine of not more than ~~\$1,000.00~~ \$2,000.00."

596 **SECTION 11-10.**

597 Said title is further amended in said chapter by revising subsections (c) and (d) of Code
 598 Section 33-22-6, relating to grounds and procedure for revocation, suspension, or nonrenewal
 599 of license or imposition of probation or fine, as follows:

600 "(c) In lieu of revoking or suspending the license for any of the causes enumerated in
 601 subsection (a) of this Code section, the Commissioner shall have the authority after a
 602 hearing to place the premium finance company on probation for a period of time not to
 603 exceed one year and may subject such company to a penalty of not more than ~~\$1,000.00~~
 604 \$2,000.00 for each offense when, in his or her judgment, he or she finds that the public
 605 interest would not be harmed by the continued operation of the company.

606 (d) The Commissioner shall ~~also~~ have the authority after a hearing to subject any person
607 or entity who is acting as a premium finance company in this state without a license, as
608 provided for by this chapter, to a penalty of not more than ~~\$1,000.00~~ \$2,000.00 for each
609 violation of this chapter. The amount of any such penalty shall be paid by the company,
610 person, or entity to the Commissioner for the use of the state."

611 **SECTION 11-11.**

612 Said title is further amended in said chapter by revising subsection (b) of Code Section
613 33-22-14, relating to disposition of unearned premiums upon cancellation of insurance
614 policy, as follows:

615 "(b)(1) In the event that the crediting of return premiums to the account of the insured
616 results in a surplus over the amount due from the insured, the premium finance company
617 shall refund the excess within ten working days of receipt of the return premium or tender
618 of return premium to the insured via the agent, agency, or broker placing the insurance
619 and shall furnish such agent, agency, or broker, upon a written request, a report setting
620 forth an itemization of the unearned finance charge and other charges under the premium
621 finance agreement; provided, however, there shall be no refund required when the excess
622 due the insured is less than \$5.00.

623 (2) Any insurance premium finance company failing to tender refunds or to furnish any
624 report requested by the agent, agency, or broker as required in paragraph (1) of this
625 subsection shall pay to the insured via the agent, agency, or broker a penalty equal to ~~25~~
626 50 percent of the amount of the refund and interest equal to 18 percent per annum until
627 such time as the refund is made; ~~provided, however, the maximum amount of such~~
628 ~~penalty and interest shall not exceed 50 percent of the amount of the refund due."~~

629 **SECTION 11-12.**

630 Said title is further amended in Chapter 23, relating to licensing, by revising paragraph (14)
631 of subsection (d) of Code Section 33-23-12, relating to limited licenses, as follows:

632 "(14) If a vendor or its employee or authorized representative violates any provision of
633 this subsection, the Commissioner may impose any of the following penalties:

634 (A) After notice and hearing, fines not to exceed ~~\$500.00~~ \$1,000.00 per violation or
635 ~~\$5,000.00~~ \$10,000.00 in the aggregate for such conduct; and

636 (B) After notice and hearing, other penalties that the Commissioner deems necessary
637 and reasonable to carry out the purpose of this article, including:

638 (i) Suspending the privilege of transacting portable electronics insurance pursuant to
639 this subsection at specific business locations where violations have occurred; and

640 (ii) Suspending or revoking the ability of individual employees or authorized
641 representatives to act under the license;"

642 **SECTION 11-13.**

643 Said title is further amended in Chapter 24, relating to insurance generally, by revising
644 subsection (n) of Code Section 33-24-19.1, relating to certificate of insurance forms to be
645 approved by Commissioner, definitions, and required provisions of certificate, as follows:

646 "(n) Any person ~~who~~ that violates this Code section may be fined up to ~~\$5,000.00~~
647 \$10,000.00 per violation."

648 **SECTION 11-14.**

649 Said title is further amended in said chapter by revising subsection (c) of Code Section
650 33-24-44, relating to cancellation of policies generally, as follows:

651 "(c)(1) Any unearned premium which has been paid by the insured shall be refunded to
652 the insured on a pro rata basis as provided in this Code section. If the return does not
653 accompany notice of cancellation, then such return shall be made on or before the

654 cancellation date either directly to the named insured or to the insured's agent of record.
655 In the event the insurer elects to return such unearned premium to the insured via the
656 insured's agent of record, such agent shall return the unearned premium to the insured
657 either in person or by depositing such return in the mail within ten working days of
658 receipt of the unearned premium, or within ten working days of notification from the
659 insurer of the amount of return of unearned premium due, or on the effective date of
660 cancellation, whichever is later. If the insured has an open account with the agent, such
661 return of unearned premium may be applied to any outstanding balance and any
662 remaining unearned premium shall be returned to the insured either in person or by
663 depositing such return in the mail within ten working days of receipt of the unearned
664 premium, or within ten working days of notification from the insurer of the amount of
665 return of unearned premium due, or on the effective date of cancellation, whichever is
666 later.

667 (2) Paragraph (1) of this subsection shall not apply if an audit or rate investigation is
668 required or if the premiums are financed by a premium finance company. If an audit or
669 rate investigation is required, then the refund of unearned premium shall be made within
670 30 days after the conclusion of the audit or rate investigation. If the premiums are
671 financed by a premium finance company, any unearned premiums shall be tendered to
672 the premium finance company within ten working days after cancellation.

673 (3) Any insurer or agent failing to return any unearned premium as prescribed in
674 paragraphs (1) and (2) of this subsection shall pay to the insured a penalty equal to ~~25~~ 50
675 percent of the amount of the return of the unearned premium and interest equal to 18
676 percent per annum until such time that proper return has been made, which penalty and
677 interest ~~must~~ shall be paid at the time the return is made; ~~provided, however, that the~~
678 ~~maximum amount of such penalty and interest shall not exceed 50 percent of the amount~~
679 ~~of the refund due.~~ Failure to return any unearned premium shall not invalidate a notice
680 of cancellation given in accordance with subsection (b) of this Code section."

681 **SECTION 11-15.**

682 Said title is further amended in Chapter 31, relating to credit life insurance and credit
 683 accident and sickness insurance, by revising subsection (b) of Code Section 33-31-12,
 684 relating to promulgation of rules and regulations, enforcement of provisions, and penalties
 685 for violations, as follows:

686 "(b) In addition to any other penalty provided by law, any person who violates an order of
 687 the Commissioner after it has become final and while the order is in effect, upon proof of
 688 the violation to the satisfaction of the court, shall forfeit and pay to ~~this~~ the state a sum not
 689 to exceed ~~\$250.00~~ \$500.00, which may be recovered in a civil action, except that if such
 690 violation is found to be willful, the amount of such penalty shall be a sum not to exceed
 691 ~~\$1,000.00~~ \$2,000.00. The Commissioner, in his or her discretion, may revoke or suspend
 692 the license or certificate of authority of the person guilty of such violation. The order for
 693 suspension or revocation shall be subject to judicial review as provided in Chapter 2 of this
 694 title."

695 **SECTION 11-16.**

696 Said title is further amended in Chapter 34A, relating to vehicle protection product
 697 warranties, by revising subsection (g) of Code Section 33-34A-11, relating to examinations
 698 by Commissioner, enforcement, opportunity for a hearing, burden on Commissioner to show
 699 justification, and penalty for violations, as follows:

700 "(g) A person ~~who~~ is found to have violated this chapter or orders or rules of the
 701 Commissioner may be ordered to pay to the Commissioner a civil penalty in an amount,
 702 determined by the Commissioner, of not more than ~~\$500.00~~ \$1,000.00 per violation and
 703 not more than ~~\$10,000.00~~ \$20,000.00 in the aggregate for all violations of a similar nature.
 704 For purposes of this Code section, violations shall be of a similar nature if the violation
 705 consists of the same or similar course of conduct, action, or practice, irrespective of the

706 number of times the conduct, action, or practice that is determined to be a violation of this
707 chapter occurred."

708 **SECTION 11-17.**

709 Said title is further amended in Chapter 36, relating to Georgia Insurers Insolvency Pool, by
710 revising subsection (b) of Code Section 33-36-19, relating to advertisements,
711 announcements, or statements using insolvency pool for purpose of sales, as follows:

712 "(b) Any person who violates subsection (a) of this Code section may, after notice and
713 hearing and upon order of the Commissioner, be subject to one or both of the following:

714 (1) A monetary penalty of not more than ~~\$1,000.00~~ \$2,000.00 for each act or violation,
715 but not to exceed an aggregate penalty of ~~\$10,000.00~~ \$20,000.00; or

716 (2) Suspension or revocation of his or her license or certificate of authority."

717 **SECTION 11-18.**

718 Said title is further amended in Chapter 37, relating to insurers rehabilitation and liquidation,
719 by revising subsection (d) of Code Section 33-37-6, relating to cooperation with
720 Commissioner mandated and penalties for failure to cooperate, as follows:

721 "(d) Any person included within subsection (a) of this Code section who fails to cooperate
722 with the Commissioner, or any person who obstructs or interferes with the Commissioner
723 in the conduct of any delinquency proceeding or any investigation preliminary or incidental
724 thereto, or who violates any order the Commissioner issued validly under this chapter may:

725 (1) Be sentenced to pay a fine not exceeding ~~\$10,000.00~~ \$20,000.00 or to undergo
726 ~~imprisonment~~ confinement for a term of not more than one year, or both; or

727 (2) After a hearing, be subject to the imposition by the Commissioner of a civil penalty
728 not to exceed ~~\$10,000.00~~ \$20,000.00 and shall be subject further to the revocation or
729 suspension of any insurance licenses issued by the Commissioner."

730 **SECTION 11-19.**

731 Said title is further amended in said chapter by revising subsection (b) of Code Section
732 33-37-22, relating to responsibility of agent to provide information and penalty for violation,
733 as follows:

734 "(b) Any agent failing to provide information to the liquidator as required in subsection (a)
735 of this Code section may be subject to payment of a penalty of not more than ~~\$1,000.00~~
736 \$2,000.00 and may have his or her licenses suspended, said penalty to be imposed after a
737 hearing held by the Commissioner."

738 **SECTION 11-20.**

739 Said title is further amended in said chapter by revising subsection (b) of Code Section
740 33-37-32, relating to premiums due during pendency of liquidation action, penalties for
741 violation, notice, and right to appeal, as follows:

742 "(b) Upon satisfactory evidence of a violation of this Code section, the Commissioner may
743 pursue either one or both of the following courses of action:

744 (1) Suspend, revoke, or refuse to renew the licenses of such offending party or parties;

745 or

746 (2) Impose a penalty of not more than ~~\$5,000.00~~ \$10,000.00 for each and every act in
747 violation of this Code section by said party or parties."

748 **SECTION 11-21.**

749 Said title is further amended in Chapter 38, relating to Georgia Life and Health Insurance
750 Guaranty Association, by revising subsection (b) of Code Section 33-38-21, relating to
751 references to the association in advertisements for insurance, as follows:

752 "(b) Any person who violates subsection (a) of this Code section may, after notice and
753 hearing and upon order of the Commissioner, be subject to one or more of the following:

- 754 (1) A monetary penalty of not more than ~~\$1,000.00~~ \$2,000.00 for each act or violation,
755 but not to exceed an aggregate penalty of ~~\$10,000.00~~ \$20,000.00; or
756 (2) Suspension or revocation of his or her license or certificate of authority."

757 **SECTION 11-22.**

758 Said title is further amended in Chapter 39, relating to collection, use, and disclosure of
759 information gathered by insurance institutions, by revising Code Section 33-39-19, relating
760 to monetary penalty for knowing violations of chapter and monetary penalty for violation of
761 cease and desist order, as follows:

762 "33-39-19.

763 (a) In any case where a hearing pursuant to Code Section 33-39-16 results in the finding
764 of a knowing violation of this chapter, the Commissioner may, in addition to the issuance
765 of a cease and desist order as prescribed in Code Section 33-39-18, order payment of a
766 monetary penalty of not more than ~~\$500.00~~ \$1,000.00 for each violation but not to exceed
767 ~~\$10,000.00~~ \$20,000.00 in the aggregate for multiple violations.

768 (b) Any person who violates a cease and desist order of the Commissioner under Code
769 Section 33-39-18 may, after notice and hearing and upon order of the Commissioner, be
770 subject to one or more of the following penalties, at the discretion of the Commissioner:

771 (1) A monetary fine of not more than ~~\$10,000.00~~ \$20,000.00 for each violation;

772 (2) A monetary fine of not more than ~~\$50,000.00~~ \$100,000.00 if the Commissioner finds
773 that violations have occurred with such frequency as to constitute a general business
774 practice; or

775 (3) Suspension or revocation of an insurance institution's or agent's license."

776 **SECTION 11-23.**

777 Said title is further amended in Chapter 47, relating to managing general agents, by revising
778 subsection (a) of Code Section 33-47-7, relating to violation of chapter and penalties, as
779 follows:

780 "(a) If the Commissioner finds, after a hearing conducted in accordance with Chapter 2 of
781 this title, that any person has violated any provision of this chapter, the Commissioner may
782 order:

783 (1) For each separate violation, a penalty in an amount not to exceed ~~\$10,000.00~~
784 \$20,000.00;

785 (2) Revocation or suspension of the producer's license; and

786 (3) The managing general agent to reimburse the insurer or the rehabilitator or liquidator
787 of the insurer for any losses incurred by the insurer caused by a violation of this chapter
788 committed by the managing general agent."

789 **SECTION 11-24.**

790 Said title is further amended in Chapter 59, relating to life settlements, by revising subsection
791 (a) of Code Section 33-59-6, relating to filing of annual statement with the Commissioner
792 and confidential information, as follows:

793 "(a)(1) Each provider shall file with the Commissioner on or before May 1 of each year
794 an annual statement containing such information as the Commissioner may prescribe by
795 rule or regulation in addition to any other requirements for any policy settled within five
796 years of policy issuance. In addition to any other requirements, the annual statement shall
797 specify the total number, aggregate face amount, and life settlement proceeds of policies
798 settled during the immediately preceding calendar year, together with a breakdown of the
799 information by policy issue year. The annual statement shall also include the names of
800 the insurance companies whose policies have been settled and the life settlement brokers
801 that have settled said policies.

802 (2) Such information shall be limited to only those transactions where the insured is a
 803 resident of this state and shall not include individual transaction data regarding the
 804 business of life settlements or information that there is a reasonable basis to believe could
 805 be used to identify the owner or the insured.

806 (3) Every provider that willfully fails to file an annual statement as required ~~in~~ by this
 807 Code section or willfully fails to reply within 30 days to a written inquiry by the
 808 Commissioner in connection therewith, shall, in addition to other penalties provided by
 809 this chapter, be subject, upon due notice and opportunity to be heard, to a penalty of up
 810 to ~~\$250.00~~ \$500.00 per day of delay, not to exceed ~~\$25,000.00~~ \$50,000.00 in the
 811 aggregate, for each such failure."

812 **SECTION 11-25.**

813 Said title is further amended in said chapter by revising subsections (b) and (c) of Code
 814 Section 33-59-16, relating to fraudulent life settlement acts prohibited, criminal and civil
 815 penalties, and revocation of license, as follows:

816 "(b) For criminal liability purposes, a person that commits a fraudulent life settlement act
 817 shall be guilty of committing insurance fraud and shall be guilty of a felony and, upon
 818 conviction, shall be punished by imprisonment for not less than two nor more than ten
 819 years, or by a fine of not more than ~~\$10,000.00~~ \$20,000.00, or both.

820 (c) The Commissioner shall be empowered to levy a civil penalty:

821 (1) Not exceeding ~~\$1,000.00~~ \$2,000.00 for each and every act in violation of this chapter
 822 or, if the person knew or reasonably should have known the acts that he or she committed
 823 were in violation of this chapter, the monetary penalty provided for in this subsection
 824 may be increased to an amount up to ~~\$5,000.00~~ \$10,000.00 for each and every act in
 825 violation; and

826 (2) The amount of the claim for each violation upon any person, including those persons
827 and their employees licensed pursuant to this chapter, who is found to have committed
828 a fraudulent life settlement act or violated any other provision of this chapter."

829 **SECTION 11-26.**

830 Said title is further amended in Chapter 63, relating to guaranteed asset protection waivers,
831 by revising Code Section 33-63-9, relating to Commissioner to enforce provisions and
832 penalty for violations, as follows:

833 "33-63-9.

834 The Commissioner may take action which is necessary or appropriate to enforce the
835 provisions of this chapter and to protect guaranteed asset protection waiver holders in this
836 state. After proper notice and opportunity for hearing, the Commissioner may:

837 (1) Order the creditor, administrator, or any other person not in compliance with this
838 chapter to cease and desist from further guaranteed asset protection waiver related
839 operations which are in violation of this chapter; and

840 (2) Impose a penalty of not more than ~~\$500.00~~ \$1,000.00 per violation and not more than
841 ~~\$10,000.00~~ \$20,000.00 in the aggregate for all violations of a similar nature. For
842 purposes of this paragraph, violations ~~must~~ shall be of a similar nature if the violation
843 consists of the same or similar course of conduct, action, or practice, irrespective of the
844 number of times the conduct, action, or practice which is determined to be a violation of
845 this chapter occurred."

846 **SECTION 11-27.**

847 Said title is further amended in Chapter 64, relating to regulation and licensure of pharmacy
848 benefits managers, by revising subsections (i) and (k) of Code Section 33-64-2, relating to
849 license requirements and filing fees, as follows:

850 "(i) In addition to all other penalties provided for under this title, the Commissioner shall
851 have the authority to assess a monetary penalty against any person, business entity, or other
852 entity acting as a pharmacy benefits manager without a license of up to ~~\$2,000.00~~
853 \$4,000.00 for each transaction in violation of this chapter, unless such person, business
854 entity, or other entity knew or reasonably should have known it was in violation of this
855 chapter, in which case the monetary penalty provided for in this subsection may be
856 increased to an amount of up to ~~\$10,000.00~~ \$20,000.00 for each and every act in violation."

857 "(k) In addition to all other penalties provided for under this title, the Commissioner shall
858 have the authority to place any pharmacy benefits manager on probation for a period of
859 time not to exceed one year for each and every act in violation of this chapter and shall
860 subject such pharmacy benefits manager to a monetary penalty of up to ~~\$2,000.00~~
861 \$4,000.00 for each and every act in violation of this chapter, unless the pharmacy benefits
862 manager knew or reasonably should have known he or she was in violation of this chapter,
863 in which case the monetary penalty provided for in this subsection shall be increased to an
864 amount of up to ~~\$10,000.00~~ \$20,000.00 for each and every act in violation. In the event
865 a pharmacy benefits manager violates any provision of this chapter while on probation, the
866 Commissioner shall have the authority to suspend ~~the~~ such pharmacy benefits manager's
867 license. For purposes of this subsection, a violation shall be considered to have occurred
868 each time an act in violation of this chapter is committed."

869 **SECTION 11-28.**

870 Said title is further amended in Chapter 65, relating to the "Corporate Governance Annual
871 Disclosure Act," by revising Code Section 33-65-8, relating to failure to file corporate
872 governance annual disclosures and penalty, as follows:

873 "33-65-8.

874 Any insurer failing, without just cause, to timely file the corporate governance annual
875 disclosure as required in this chapter shall be required, after notice and hearing, to pay a

876 penalty of ~~\$100.00~~ \$200.00 for each day's delay, to be recovered by the Commissioner, and
877 the penalty so recovered shall be paid into the general fund of the state treasury. The
878 maximum penalty under this Code section is ~~\$10,000.00~~ \$20,000.00. The Commissioner
879 may reduce the penalty if the insurer demonstrates to the Commissioner that the imposition
880 of the penalty would constitute a financial hardship to ~~the~~ such insurer."

881

PART XII

882

Effective dates, applicability, and repealer

883

SECTION 12-1.

884 This Act shall become effective on July 1, 2026, and shall apply to all contracts and policies
885 entered into or renewed after the effective date of this Act.

886

SECTION 12-2.

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