

The House Committee on Rules offers the following substitute to SB 462:

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 improve insurance policyholder protections by strengthening the regulation of excess profit
3 in private passenger automobile insurance policies and healthcare plan coverage of ground
4 ambulance transportation services; to provide for the collection of certain data annually from
5 insurers writing private passenger automobile insurance policies; to provide for the
6 Commissioner of Insurance to order the refund of any excess profit made by such insurers;
7 to provide for calculations; to provide for notice and opportunity for hearing; to provide for
8 cash refunds or credit refunds; to provide for certification; to prohibit adjustments to
9 commission, premium tax, or other tax payments; to provide for insurance coverage for
10 certain out-of-network ambulance transportation service; to provide for the minimum
11 allowable reimbursement rate for such service; to provide for maximum amounts on
12 copayments, coinsurance, or deductibles for such service; to provide for definitions; to
13 provide for rules and regulations; to provide for related matters; to provide for effective dates
14 and applicability; to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in Chapter 9, relating to regulation of rates, underwriting rules, and related organizations, by revising Code Section 33-9-41, which is reserved, as follows:

"33-9-41.

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

(1) 'Anticipated underwriting profit' means the expected, projected, or modeled net profit that an insurer anticipates making from providing insurance coverage, exclusive of income from investments. Such term shall be calculated as the sum of the dollar amounts obtained by multiplying, for each rate filing of the insurer group in effect during a five-year period, the earned premiums applicable to such rate filings by the percentage factor included in such rate filing for profit and contingencies, such percentage factor having been determined with due recognition to investment income from funds generated by business in this state; provided, however, that separate calculations shall not be necessary for consecutive filings containing the same percentage factor for profits and contingencies.

(2) 'Cash refund' means a refund issued to a policyholder or former policyholder by an insurer in a single payment of coins, currency, checks, drafts, or money orders.

(3) 'Credit refund' means a refund issued to a policyholder by an insurer through application to a policy renewal premium for such policyholder.

(4) 'Excess profit' means an underwriting gain for the five most recent calendar accident years combined which is greater than the anticipated underwriting profit plus 6 percent of earned premiums for such calendar accident years.

(5) 'Final compilation year' means the final year in which data is reported in a five-year reporting period.

(6) 'Private passenger automobile insurance' means insurance that covers the personal use of a private passenger automobile and its operating equipment; covers liability,

43 collision, comprehensive, personal injury protection or medical payments, or uninsured
44 or underinsured motorist protection; or provides the mandatory minimum limits required
45 under Chapter 34 of this title for the personal use of a private passenger automobile.
46 Such insurance may be written on a family automobile policy, standard automobile
47 policy, personal automobile policy, or similar private passenger automobile policy. Such
48 term shall not include commercial automobile insurance or similar policies for
49 commercial automobiles or commercial motor vehicles.

50 (b) No later than July 1, 2028, and annually thereafter, any domestic, foreign, or alien
51 insurer that is authorized to write private passenger automobile insurance policies in this
52 state shall file with the department on forms prescribed by the Commissioner data for
53 private passenger automobile insurance in this state. Such data shall include both voluntary
54 and joint underwriting association business and shall include the following:

55 (1) Calendar year total limits earned premium;

56 (2) Accident year incurred losses and loss adjustment expenses;

57 (3) Administrative and selling expenses incurred in this state or allocated to this state for
58 the calendar year;

59 (4) Policyholder dividends incurred during the applicable calendar year;

60 (5) A schedule of private passenger automobile loss and loss adjustment experience for
61 each of the five most recent accident years. The incurred losses and loss adjustment
62 expenses shall be valued as of March 31 of the year following the close of the accident
63 year, developed to an ultimate basis, and at four 12 month intervals thereafter, each
64 developed to an ultimate basis, so that a total of five evaluations will be provided for each
65 accident year; and

66 (6) Any supplemental data the department needs for the determination of compliance
67 with the provisions of this Code section.

68 (c) The department shall review the data collected pursuant to subsection (b) of this Code
69 section to determine if excess profit has been realized based on a comparison of the

70 insurer's underwriting gain and anticipated underwriting profit. Each insurer's underwriting
71 gain or loss for each calendar accident year shall be calculated as the sum of the accident
72 year incurred losses and loss adjustment expenses as of March 31 of the following year,
73 developed to an ultimate basis, plus the administrative and selling expenses incurred in the
74 calendar year, plus policyholder dividends applicable to the calendar year, subtracted from
75 the calendar year earned premium. Such underwriting gain or loss shall be compared to
76 the anticipated underwriting profit for the five most recent calendar accident years to
77 determine if excess profit has been realized.

78 (d) Whenever the Commissioner has determined that an excess profit has been realized,
79 the Commissioner shall issue an order for the insurer to return excess profit and otherwise
80 comply with the provisions of this Code section. The order shall contain or shall be
81 accompanied by a notice of opportunity for hearing which clearly explains that the
82 opportunity must be requested within ten days of receipt of the order and notice. The order
83 and notice shall be served in person by the Commissioner or his or her agent or by
84 registered or certified mail or statutory overnight delivery, return receipt requested. The
85 hearing shall be conducted in accordance with the provisions of Chapter 2 of this title.

86 (e)(1) Excess profit shall be refunded unless an insurer demonstrates to the department
87 that the refund of excess profit will render the insurer financially impaired or insolvent.

88 (2) The insurer shall submit to the Commissioner a fair, practicable, and
89 nondiscriminatory plan to refund or credit to policyholders the realized excess profit as
90 determined by the Commissioner within 30 days after receipt of the written notice
91 provided for in subsection (d) of this Code section, or, if an insurer requests a hearing,
92 within 30 days after the conclusion of such hearing. If the refund or credit plan is not
93 approved, the Commissioner shall issue a written notice to the insurer containing the
94 reasons why it was not approved and specifications for corrections to the plan. Upon
95 approval of the insurer's refund or credit plan, the Commissioner shall issue an order

96 requiring the insurer to distribute the excess profit according to the approved plan in the
97 form of:

98 (A) A cash refund within 60 days of a final order on the refund of excess profit; or

99 (B) A credit refund, which shall be applied to policy renewal premium notices that are
100 forwarded to policyholders no more than 60 days after a final order on the refund of
101 excess profit; provided, however, that, if a policyholder cancels the policy or allows the
102 policy to terminate, the insurer shall make a cash refund no more than 60 days after
103 termination of coverage.

104 (f) An insurer shall immediately certify to the department when all cash refunds or credit
105 refunds have been made. Any cash refund or credit refund made pursuant to this Code
106 section shall be treated as a policyholder dividend applicable to the year in which it is
107 incurred for purposes of reporting under this Code section for subsequent years.

108 (g) The data in the required reports to the department obtained pursuant to this Code
109 section and cash refunds or credit refunds to policyholders issued pursuant to this Code
110 section may be rounded to the nearest dollar, provided that such rounding shall be applied
111 consistently.

112 (h) No insurer that makes any refund pursuant to this Code section shall be allowed to
113 adjust any payments of commissions, premium tax, or other tax due to such refund.

114 (i) The Commissioner shall be authorized to promulgate rules and regulations necessary
115 for the implementation and enforcement of this Code section. Reserved."

116 **SECTION 2.**

117 Said title is further amended in Chapter 20E, the "Surprise Billing Consumer Protection Act,"
118 by revising Code Section 33-20E-23, relating to financial responsibilities for ground
119 ambulance transportation, as follows:

120 "33-20E-23.

121 ~~Nothing in this chapter shall reduce a covered person's financial responsibilities with regard~~
122 ~~to ground ambulance transportation.~~

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

124 (1) 'Ambulance provider' means an agency, including an agency of any political
125 subdivision of this state, or a company which is operating under a valid license from the
126 Emergency Health Section of the Department of Public Health and which provides
127 emergency transport service; provided, however, that such term shall not include an air
128 ambulance service as such term is defined in Code Section 31-11-2.

129 (2) 'Clean claim' means a claim for reimbursement of service rendered by an ambulance
130 provider that has no defect or impropriety, including any lack of required substantiating
131 documentation, which would reasonably prevent timely payment for a claim.

132 (3) 'Covered service' means emergency transport service which a covered person is
133 entitled to receive under the terms of a healthcare plan.

134 (4) 'Emergency transport service' means the provision of emergency transportation on
135 the public streets and highways of this state by an ambulance provider for a wounded,
136 injured, sick, invalid, or incapacitated human being to or from a place where medical or
137 hospital care is furnished.

138 (5) 'First responder' means any firefighter of a municipal, county, or volunteer fire
139 department; paramedic as defined in Code Section 31-11-2; emergency medical
140 technician as defined in Code Section 31-11-2; peace officer as defined in Code
141 Section 35-8-2; or communications officer as defined in Code Section 37-12-1.

142 (b) A healthcare plan shall consider emergency transport service as a covered service when
143 such emergency transport service is requested by a first responder.

144 (c)(1) The minimum allowable reimbursement rate under any healthcare plan other than
145 a state healthcare plan for covered service to an out-of-network ambulance provider shall
146 be the rate agreed to by contract with or through passage of an ordinance, resolution, rule,

147 or regulation by a county, municipality, special district, or authority for such service
148 within the respective jurisdiction.

149 (2) When no agreement on a minimum reimbursement rate exists as set forth in
150 paragraph (1) of this subsection, the minimum allowable reimbursement amount shall be
151 the lesser of:

152 (A) Three hundred and twenty-five percent of the reimbursement rate under the
153 Medicare program, Part A or B of Title XVIII of the federal Social Security Act, 42
154 U.S.C. Section 1395, et seq., as amended, for ambulance services; or

155 (B) The charges billed by the ambulance provider.

156 (d) Any payment made to an ambulance provider pursuant to this Code section shall
157 release a covered person from any further payment responsibility other than any
158 copayment, coinsurance, or deductible owed by the covered person.

159 (e) Any copayment, coinsurance, or deductible paid for covered service provided by an
160 out-of-network ambulance provider shall not exceed the amount of a copayment,
161 coinsurance, or deductible amount owed for similar service provided by an ambulance
162 provider that belongs to the provider network in a healthcare plan.

163 (f) No later than 30 days after the receipt of a clean claim for covered service, an insurer
164 shall remit payment for such service directly to the ambulance provider and shall not remit
165 any payment to a covered person. When an insurer receives a claim that is not a clean
166 claim, such insurer shall, within 30 days after receipt of such claim, send written notice to
167 the ambulance provider making such claim that acknowledges the receipt of such claim and
168 informs the ambulance provider that:

169 (1) The insurer has declined to pay all or part of the claim, including the reasons for such
170 denial; or

171 (2) Additional information is necessary to make a determination regarding payment of
172 all or part of the claim submitted, including the specific information required."

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SECTION 3.

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(a) Except as provided in subsection (b) of this section, this Act shall become effective on July 1, 2026, and shall apply to all policies issued, delivered, issued for delivery, or renewed in this state on or after such date.

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(b) Section 2 of this Act shall become effective on January 1, 2027, and shall apply to all contracts entered into or renewed and all policies issued, delivered, issued for delivery, or renewed in this state on or after such date.

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SECTION 4.

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