

House Bill 733 (AS PASSED HOUSE AND SENATE)

By: Representatives Smith of the 18th, Gambill of the 15th, and Williams of the 148th

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 revise the definition of property insurance to include agreements that provide a reduction of
3 the amount due on a consumer's finance agreement in the event of a total physical damage
4 loss or unrecovered theft of the motor vehicle; to revise the definition of a guaranteed asset
5 protection waiver to include contractual agreements with or without a separate charge and
6 to include a contractual agreement with or without a separate charge that provides a benefit
7 that waives an amount or provides a borrower with a credit toward the purchase of a
8 replacement vehicle; to provide for a definition of diagnostic breast examination as a
9 medically necessary and clinically appropriate breast examination used to evaluate an
10 abnormality seen, suspected, or detected; to provide for a definition of supplemental breast
11 screening examination as a medically necessary and clinically appropriate breast examination
12 used to screen for breast cancer or based on personal or family medical history; to provide
13 for additional definitions; to provide that diagnostic breast examinations shall not be treated
14 less favorably than supplemental screening mammography for breast cancer with respect to
15 cost-sharing requirements; to allow for utilization review; to provide for exceptions for
16 certain Health Savings Accounts; to provide for related matters; to provide for effective dates
17 and applicability; to repeal conflicting laws; and for other purposes.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **PART I**

20 *Property insurance and guaranteed asset protection waiver*

21 **SECTION 1-1.**

22 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
23 revising subsection (b) of Code Section 33-7-6, relating to property insurance, contract
24 requirements, rules and regulations, and exemptions, as follows:

25 "(b) Property insurance also includes:

26 (1) Any contract, agreement, or instrument whereby a person assumes the risk of and the
27 expense or portion thereof for:

28 (A) The mechanical breakdown or mechanical failure of a motor vehicle; or

29 (B) The repair of certain reasonable motor vehicle wear and tear sustained in ordinary
30 use, such as:

31 (i) The removal of dents, dings, or creases in a motor vehicle without affecting the
32 existing paint finish using paintless dent repair techniques;

33 (ii) The removal of small windshield chips and cracks without replacement of the
34 entire windshield;

35 (iii) The repair of rips, burns, tears, holes, and punctures to interior fabric or carpet;

36 (iv) Cosmetic repair of minor scuffs, scratches, scrapes, or rash on exterior plastic
37 surfaces, including, but not limited to, bumpers;

38 (v) The repair or replacement of wheels on a motor vehicle damaged as a result of
39 coming into contact with road hazards which may include, but are not limited to,
40 potholes, rocks, wood debris, metal parts, plastic, curbs, or composite scraps;

41 (vi) Exterior reconditioning of foggy or yellowed headlights to restore clarity and
42 luster;

43 (vii) The repair or replacement of a motor vehicle key or key fob in the event that the
44 key or key fob becomes inoperable or is lost or stolen; ~~or~~

45 (viii) The repair, replacement, or maintenance of a motor vehicle, or indemnification
46 for the repair, replacement, or maintenance for excess wear to the motor vehicle,
47 resulting in lease-end excess wear and use charges assessed by a lessor pursuant to a
48 motor vehicle lease agreement, provided that the value of any benefits under such
49 contract, agreement, or instrument shall not exceed the purchase price of the vehicle;
50 provided, further, that a person offering a cancellation or waiver of excess wear and
51 use charges in connection with a lease as described in paragraph (6) of Code Section
52 33-63-3 is not subject to this Code section; or

53 (ix) The reduction of some or all of the amounts due on a consumer's finance
54 agreement in the event of a total physical damage loss or unrecovered theft of the
55 motor vehicle;

56 and shall include those agreements commonly known as vehicle service agreements or
57 extended warranty agreements, if made by a person other than the motor vehicle
58 manufacturer or a subsidiary or affiliate of the motor vehicle manufacturer in exchange
59 for a separately stated charge or the cost of the contract or contracts is included on a
60 nonidentifiable basis in the cost of a motor vehicle sold in conjunction therewith, except
61 that this paragraph shall not apply to an agreement underwritten by an insurer licensed
62 to transact insurance in this state, either directly or through a reinsurance contract or,
63 without regard to the requirement that the insurance cannot be obtained from an insurer
64 authorized to do business in this state as required by Code Section 33-5-21, to an
65 agreement underwritten by a surplus lines insurer which has not been rejected by the
66 Commissioner for such purpose;

67 (2) Any contract, agreement, or instrument whereby a person assumes the risk of and the
68 expense or portion of such expense for the structural or mechanical breakdown, loss of,
69 or damage to a one-family or two-family residential building structure or any part thereof

70 from any cause, including loss of or damage to or loss of use of the building structure or
71 major components thereof which are attached to and become a part of said structure, if
72 made by a person other than the constructing contractor or manufacturer of the building
73 structure or part thereof in exchange for a separately stated charge or the cost of the
74 contract or contracts is included on a nonidentifiable basis in the cost of such building
75 structure sold in conjunction therewith, except that this paragraph shall not apply to an
76 agreement underwritten by an insurer licensed to transact insurance in this state, either
77 directly or through a reinsurance contract or underwritten by a surplus line insurer
78 approved by the Commissioner nor shall this provision apply to an agreement: (A) the
79 performance of which is guaranteed by a surety bond executed by an authorized corporate
80 surety insurer in favor of and approved by the Commissioner in an amount of not less
81 than \$1.5 million; provided, further, that a surety bond of an additional \$100,000.00 shall
82 be required for every additional \$500,000.00 in written premium above \$2 million in
83 written premium. Any company relying upon one or more bonds pursuant to this
84 subsection shall keep such bonds or equivalent coverage in place until the expiration of
85 the contract, agreement, or instrument contemplated in this paragraph; or (B)
86 notwithstanding with a duration of 13 months or less covering damage to or loss of use
87 of the major appliances located in an existing or resold home where the performance of
88 any covered repair is guaranteed by a surety bond executed by a corporate surety insurer
89 authorized to offer surety insurance in this state in favor of the Commissioner and in an
90 amount which in the discretion of the Commissioner will provide adequate protection to
91 all the residents of this state who are covered by such agreements, provided that such
92 amount shall not be less than \$100,000.00; or
93 (3) Any contract, agreement, or instrument, other than an agreement, contract, or
94 instrument covered by paragraphs (1) and (2) of this subsection, whereby a person
95 assumes the risk of and the expense or portion thereof for the cost of repair or
96 replacement of a product if such contract, agreement, or instrument is made by a person

97 other than the manufacturer or a subsidiary or affiliate of the motor vehicle manufacturer
98 in exchange for a separately stated charge or the cost of the contract or contracts is
99 included on a nonidentifiable basis in the cost of the product sold in conjunction
100 therewith, except that this paragraph shall not apply to:

101 (A) An agreement underwritten by an insurer licensed to transact insurance in this
102 state, either directly or through a reinsurance contract;

103 (B) Any contract, agreement, or instrument relating to similar services furnished by
104 any air carrier that provides interstate air transportation;

105 (C) Any tire replacement contract, agreement, or instrument;

106 (D) A contract, agreement, or instrument whereby a retailer in the business of selling
107 consumer products or a wholly owned subsidiary of such retailer assumes the risk of
108 and the expense or portion thereof for the cost of repair or replacement of consumer
109 products where such contract, agreement, or instrument is guaranteed by a surety bond
110 executed by a corporate surety insurer authorized to offer surety insurance in this state
111 in favor of and approved by the Commissioner in an amount of not less than
112 \$100,000.00; or

113 (E) Any contract, agreement, or instrument whereby any person assumes the risk of
114 and the expense or portion of such expense for the breakdown, service, repair, or
115 replacement due to normal wear and tear or structural or inherent defect to the major
116 appliances, utility systems, and roofing system of any one-family or two-family
117 residential building structure in exchange for a separately stated consideration and does
118 not otherwise provide direct or consequential coverage under a property contract
119 defined in paragraph (1) or (2) of this subsection or the introductory language of this
120 paragraph and such contract, agreement, or instrument is guaranteed by a surety bond
121 executed by a corporate surety insurer authorized to offer surety insurance in this state
122 in favor of and approved by the Commissioner in an amount of not less than
123 \$100,000.00."

124 **SECTION 1-2.**

125 Said title is further amended by revising paragraph (6) of Code Section 33-63-3, relating to
126 definitions regarding guaranteed asset protection waivers, as follows:

127 "(6) 'Guaranteed asset protection waiver' means a contractual agreement wherein a
128 creditor agrees for, with or without a separate charge, to cancel or waive all or part of
129 amounts due on a borrower's finance agreement in the event of a total physical damage
130 loss or unrecovered theft of the motor vehicle, which agreement must be part of, or a
131 separate addendum to, the finance agreement or a contractual agreement wherein a
132 creditor agrees for, with or without a separate charge, to cancel or waive all or part of the
133 excess wear and use charges owed by the borrower to the creditor under the lease contract
134 when the borrower returns a leased vehicle to the creditor at termination of the lease,
135 which agreement must be part of, or a separate addendum to, the lease contract. Such
136 waiver may also provide, with or without a separate charge, a benefit that waives an
137 amount, or provides a borrower with a credit, toward the purchase of a replacement
138 vehicle."

139 **PART II**

140 *Health insurance and parity in cost-sharing requirements for breast examinations*

141 **SECTION 2-1.**

142 Said title is further amended by adding a new Code section to Chapter 24, relating to
143 insurance generally, to read as follows:

144 "33-24-59.31.

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

146 (1) 'Breast magnetic resonance imaging' or 'breast MRI' means a diagnostic and
147 screening tool, including standard and abbreviated breast MRI, that uses radio waves and
148 magnets to produce detailed images of structures within the breast.

149 (2) 'Breast ultrasound' means a noninvasive diagnostic and screening tool that uses
150 high-frequency sound waves and their echoes to produce detailed images of structures
151 within the breast.

152 (3) 'Cost-sharing requirement' means a deductible, coinsurance, or copayment and any
153 maximum limitation on the application of such a deductible, coinsurance, copayment, or
154 similar out-of-pocket expense.

155 (4) 'Diagnostic breast examination' means a medically necessary and clinically
156 appropriate, as defined by the guidelines established by the National Comprehensive
157 Cancer Network as of January 1, 2022, examination of the breast, including such
158 examination using breast MRI, breast ultrasound, or mammogram, that is:

159 (A) Used to evaluate an abnormality seen or suspected from a screening examination
160 for breast cancer; or

161 (B) Used to evaluate an abnormality detected by another means of examination.

162 (5) 'Health benefit policy' means any individual or group plan, policy, or contract for
163 health care services issued, delivered, issued for delivery, executed, or renewed by an
164 insurer in this state.

165 (6) 'Insurer' means any person, corporation, or other entity authorized to provide health
166 benefit policies under this title.

167 (7) 'Mammogram' means a diagnostic or screening mammography exam using a
168 low-dose X-ray to produce an image of the breast.

169 (8) 'Supplemental breast screening examination' means a medically necessary and
170 clinically appropriate, as defined by the guidelines established by the National
171 Comprehensive Cancer Network as of January 1, 2022, examination of the breast,
172 including such examination using breast MRI, breast ultrasound, or mammogram, that
173 is:

174 (A) Used to screen for breast cancer when there is no abnormality seen or suspected
175 in the breast; or

176 (B) Based on personal or family medical history or additional factors that may increase
177 the individual's risk of breast cancer.

178 (b) A health benefit policy that provides coverage for diagnostic examinations for breast
179 cancer shall include provisions that ensure that the cost-sharing requirements applicable
180 to diagnostic and supplemental breast screening examinations are no less favorable than
181 the cost-sharing requirements applicable to screening mammography for breast cancer.

182 (c) Nothing in this Code section shall be construed to preclude existing utilization review
183 provided under Chapter 46 of this title.

184 (d) If under federal law application of subsection (b) of this Code section would result in
185 Health Savings Account ineligibility under Section 223 of the Internal Revenue Code, such
186 cost-sharing requirement shall apply only for Health Savings Account qualified High
187 Deductible Health Plans with respect to the deductible of such plan after the enrollee has
188 satisfied the minimum deductible under Section 223 of the Internal Revenue Code, except
189 with respect to items or services that are preventive care pursuant to Section 223(c)(2)(C)
190 of the Internal Revenue Code, in which case the requirements of subsection (b) of this
191 Code section shall apply regardless of whether the minimum deductible under Section 223
192 of the Internal Revenue Code has been satisfied."

193

PART III

194

Effective dates, applicability, and repealer

195

SECTION 3-1.

196 (a) Except as otherwise provided in this section, this Act shall become effective upon its
197 approval by the Governor or upon its becoming law without such approval.

198 (b) Part I of this Act shall become effective on July 1, 2022, and shall apply to all such
199 policies and contracts issued, delivered, issued for delivery, or renewed on or after such date.

200 (c) Part II of this Act shall apply to all such policies and contracts issued, delivered, issued
201 for delivery, or renewed on or after January 1, 2023.

202 **SECTION 3-2.**

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