

Senate Bill 132

By: Senators Harbin of the 16th, Jones of the 25th and Walker III of the 20th

AS PASSED

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 provide for modernization and updates; to amend various provisions of the Official Code of
3 Georgia Annotated for purposes of conformity; to repeal Article 2 of Chapter 29A, relating
4 to the Commission on the Georgia Health Insurance Risk Pool; to provide for any assets,
5 liabilities, and obligations thereof; to provide for related matters; to repeal conflicting laws;
6 and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **PART I**
9 **SECTION 1-1.**

10 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
11 revising Code Section 33-1-2, relating to definitions, as follows:

12 "33-1-2.

13 As used in this title, the term:

14 (1) 'Commissioner of Insurance' or 'Commissioner' means the Commissioner of
15 Insurance of the State of Georgia.

16 (2) 'Department of Insurance' or 'department' means the Department of Insurance
17 established by Code Section 33-2-1.

18 ~~(1.1)~~(3) 'Health benefit policy,' 'health benefit plan,' or other similar terms ~~do~~ shall not
19 include limited benefit insurance policies designed, advertised, and marketed to
20 supplement major medical insurance such as accident only, ~~Champus~~ CHAMPUS
21 supplement, dental, disability income, fixed indemnity, long-term care, ~~Medicare~~
22 medicare supplement, specified disease, vision, and any other type of accident and
23 sickness insurance other than basic hospital expense, basic medical-surgical expense, or
24 major medical insurance.

25 ~~(2)~~(4) 'Insurance' means a contract which is an integral part of a plan for distributing
 26 individual losses whereby one undertakes to indemnify another or to pay a specified
 27 amount or benefits upon determinable contingencies.

28 ~~(3) 'Insurance Department' or 'department' means the Insurance Department established~~
 29 ~~by Code Section 33-2-1.~~

30 ~~(4)~~(5) 'Insurer' means any person engaged as indemnitor, surety, or contractor who issues
 31 insurance, annuity or endowment contracts, subscriber certificates, or other contracts of
 32 insurance by whatever name called. Burial associations, health care plans, and health
 33 maintenance organizations are insurers within the meaning of this title.

34 ~~(4.1)~~(6) 'Natural person' means an individual human being and does not include any firm,
 35 partnership, association, corporation, or trust.

36 ~~(5)~~(7) 'Person' means an individual, insurer, company, association, trade association,
 37 organization, society, reciprocal or interinsurance exchange, partnership, syndicate,
 38 business trust, corporation, Lloyd's association, and associations, groups, or department
 39 of underwriters, and any other legal entity.

40 ~~(5.1)~~(8) 'Security,' 'security deposit,' 'special deposit,' or 'deposit,' when used to refer to
 41 posted deposits required to be placed in the possession of the Commissioner, shall mean
 42 the actual physical evidence of a security, such as a certificate, or an entry made through
 43 the federal reserve book-entry system. The federal reserve book-entry system shall be
 44 limited in meaning to the computerized systems sponsored by the United States
 45 Department of Treasury and certain agencies and instrumentalities of the United States
 46 for holding and transferring securities of the United States government and such agencies
 47 and instrumentalities, respectively, in federal reserve banks through banks which are
 48 members of the Federal Reserve System or which otherwise have access to such
 49 computerized systems.

50 ~~(6)~~(9) 'Transact,' with respect to insurance, includes any of the following:

- 51 (A) Solicitation and inducement;
- 52 (B) Preliminary negotiations;
- 53 (C) Effectuation of a contract of insurance; or
- 54 (D) Transaction of matters subsequent to effectuation of the contract and arising out
 55 of it."

56 **SECTION 1-2.**

57 Said title is further amended by repealing Code Section 33-1-3, relating to application of title
 58 to fraternal benefit societies and farmers' mutual fire insurance companies, and designating
 59 said Code section as reserved.

60 **SECTION 1-3.**

61 Said title is further amended by revising Code Section 33-1-7, relating to issuance or delivery
62 of policy in violation of title, as follows:

63 "33-1-7.

64 Any insurer, or any officer or agent thereof, issuing or delivering to any person in this state
65 any policy in violation of any provision of this title shall be guilty of a misdemeanor,
66 except as otherwise provided."

67 **SECTION 1-4.**

68 Said title is further amended by revising Code Section 33-1-8, relating to making of false
69 statements and reporting of such statements, as follows:

70 "33-1-8.

71 Any director, officer, agent, or employee of any insurance company who willfully and
72 knowingly subscribes, makes, or concurs in making any annual or other statement required
73 by law containing any material statement which is false shall be guilty of a misdemeanor.
74 It shall be the duty of the Commissioner to report all such misrepresentations and false
75 statements to the ~~district~~ appropriate prosecuting attorney of the circuit or county in which
76 they shall occur, except as otherwise provided."

77 **SECTION 1-5.**

78 Said title is further amended by revising Code Section 33-1-13, relating to receiving of
79 compensation from undertakers on account of employment and giving of compensation by
80 undertakers, as follows:

81 "33-1-13.

82 No person, firm, or corporation engaged in the life insurance business ~~or the industrial life~~
83 ~~insurance business~~ shall contract for or receive any compensation or gratuity, directly or
84 indirectly, on account of the employment of any undertaker in connection with a burial or
85 preparation for burial of any person whose life is insured by said company; and no
86 undertaker shall give or agree to give any such compensation or commission to such
87 person, firm, or corporation engaged in the insurance business."

88 **SECTION 1-6.**

89 Said title is further amended in Code Section 33-1-14, relating to regulation of certain
90 persons providing coverage for medical or dental services, by revising subsections (a) and
91 (f) as follows:

92 "(a) Notwithstanding any other provision of law and except as provided in this Code
93 section, any person, other than an authorized insurer, the state and its instrumentalities, or

94 political subdivisions of the state and their instrumentalities, who provides coverage in this
 95 state for medical, surgical, chiropractic, physical therapy, optometry, speech pathology,
 96 podiatry, audiology, psychology, pharmaceutical, dental, or hospital services, whether such
 97 coverage is by direct payment, reimbursement, or otherwise, shall be presumed to be
 98 subject to the jurisdiction of the ~~Insurance~~ Department of Insurance, unless the person
 99 shows that, while providing coverage for such services, such person is subject to the
 100 jurisdiction of an insurance supervisory official of another state or specifically subject to
 101 the exclusive jurisdiction of the federal government."

102 "(f) As used in this Code section, the term 'authorized insurer' means any insurer
 103 authorized to sell accident and sickness policies, subscriber contracts, certificates, or
 104 agreements of any form under Chapter 15, ~~18, 19,~~ 20, 21, 29, or 30 of this title."

105 **SECTION 1-7.**

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

108 "(c)(1) The Commissioner shall prepare, on an annual basis, a separate budget request
 109 to the General Assembly which sets forth the anticipated cost and expense of funding the
 110 investigation and prosecution of insurance fraud in this state for the ensuing 12 months.
 111 ~~Beginning with the year 1997, such~~ Such budget request shall set forth the annual cost
 112 and expense of the investigation and prosecution of insurance fraud in Georgia for the
 113 preceding 12 months.

114 (2) There is imposed upon each foreign, alien, and domestic insurance company doing
 115 business in the state an annual assessment under a formula to be established by regulation
 116 promulgated by the Commissioner. The formula shall be calculated such that the total
 117 proceeds paid or collected from such assessments for any year shall not exceed the
 118 amounts appropriated by the General Assembly pursuant to paragraph (3) of this
 119 subsection, which appropriation shall be based upon the budget request setting forth the
 120 applicable annual cost and expense of the investigation and prosecution of insurance
 121 fraud in Georgia submitted by the Commissioner. Such assessments may be measured
 122 by kind of company, kind of insurance, income, volume of transactions, or such other
 123 factors as the Commissioner determines appropriate. Assessments shall be due and
 124 payable for each calendar quarter at the times specified in subsection (b) of Code Section
 125 33-8-6. Any insurance company which fails to report and pay any installment of such
 126 assessment shall be subject to penalties and interest as provided by subsection (d) of Code
 127 Section 33-8-6. The Commissioner shall provide by regulation for such other terms and
 128 conditions for the payment or collection of such assessments as may be necessary to
 129 ensure the proper payment and collection thereof.

130 (3) The General Assembly may appropriate funds to the ~~Insurance Department funds~~
 131 department for the investigation of insurance fraud and for the funding of the prosecution
 132 of insurance fraud. The Commissioner is authorized to use such funds for investigation
 133 of insurance fraud and to reimburse prosecuting attorneys for some or all of the costs of
 134 retaining assistant prosecuting attorneys to prosecute insurance fraud cases. The
 135 Commissioner shall provide by regulation for such other terms and conditions for the use
 136 of the funds for the investigation, reimbursement, and prosecution contemplated by the
 137 terms of this paragraph."

138 **SECTION 1-8.**

139 Said title is further amended by revising Code Section 33-1-19, relating to Special Advisory
 140 Commission on Mandated Health Insurance Benefits, as follows:

141 "33-1-19.

142 (a) The Special Advisory Commission on Mandated Health Insurance Benefits is hereby
 143 established, effective February 1, 2012, to advise the Governor and the General Assembly
 144 on the social and financial impact of current and proposed mandated benefits and
 145 providers, in the manner set forth in this Code section. The advisory commission shall be
 146 composed of 20 members and three ex officio members. Sixteen members shall be
 147 appointed by the Governor on or after February 1, 2012, as follows: one dentist, one
 148 obstetrician, one pediatrician, one family practice physician, one physician who is a
 149 specialist in chronic disease, one chief medical officer of a general; acute care hospital, one
 150 allied health professional, two representatives of small business, two representatives of a
 151 major industry, one expert in the field of medical ethics, one representative of the accident
 152 and health insurance industry, one representative from the Georgia Association of Health
 153 Plans, and two citizen members. The Senate Committee on Assignments shall appoint one
 154 member from the Senate Health and Human Services Committee and one member from the
 155 Senate Insurance and Labor Committee, and the Speaker of the House of Representatives
 156 shall appoint one member from the House Committee on Health and Human Services and
 157 one member from the House Committee on Insurance. The commissioner of community
 158 health, the Commissioner of Labor, and the Commissioner of Insurance shall serve as ex
 159 officio, nonvoting members. All members shall be appointed for terms of four years each,
 160 except that appointments to fill vacancies shall be made for the unexpired terms.

161 (b) No person shall be eligible to serve for or during more than two successive four-year
 162 terms; but after the expiration of a term of two years or less, or after the expiration of the
 163 remainder of a term to which appointed to fill a vacancy, two additional four-year terms
 164 may be served by such a member if so appointed.

165 (c) The advisory commission shall meet regularly and at the request of the Governor. The
 166 first meeting of the advisory commission shall be held no later than March 1, 2012, at
 167 which time the advisory commission shall select a chairperson and a vice chairperson, as
 168 determined by the membership.

169 (d) The advisory commission shall:

170 (1) Develop and maintain, with the ~~Insurance Department~~ department, a system and
 171 program of data collection to assess the impact of mandated benefits and providers,
 172 including costs to employers and insurers, impact of treatment, cost savings in the health
 173 care system, number of providers, and other data as may be appropriate;

174 (2) Advise and assist the ~~Insurance Department~~ department on matters relating to
 175 mandated insurance benefits and provider regulations;

176 (3) Prescribe the format, content, and timing of information to be submitted to the
 177 advisory commission in its assessment of proposed and existing mandated benefits and
 178 providers. Such format, content, and timing requirements shall be binding upon all
 179 parties submitting information to the advisory commission in its assessment of proposed
 180 and existing mandated benefits and providers;

181 (4) Provide assessments of proposed and existing mandated benefits and providers and
 182 other studies of mandated benefits and provider issues as requested by the General
 183 Assembly;

184 (5) Provide additional information and recommendations, relating to any system of
 185 mandated health insurance benefits and providers, to the Governor and the General
 186 Assembly, upon request; and

187 (6) Report annually on its activities to the joint standing committees of the General
 188 Assembly having jurisdiction over insurance by December 1 of each year.

189 (e)(1) Whenever legislation containing a mandated health insurance benefit or provider
 190 is proposed, the standing committee of the General Assembly having jurisdiction over the
 191 proposal shall request that the advisory commission prepare and forward to the Governor
 192 and the General Assembly a study that assesses the social and financial impact and the
 193 medical efficacy of the proposed mandate. The advisory commission shall be given a
 194 period of six months, or until commencement of the next General Assembly, whichever
 195 is longer, to complete and submit its assessment.

196 (2) The advisory commission shall assess the social and financial impact and the medical
 197 efficacy of existing mandated benefits and providers in effect as of January 1, 2012. The
 198 advisory commission shall submit a schedule of evaluations to the standing committees
 199 of the General Assembly having jurisdiction over health insurance matters by May 1,
 200 2012, setting forth the dates by which particular mandates shall be evaluated by the

201 advisory commission. The evaluations shall be completed and submitted to such standing
202 committees no later than December 31, 2012.
203 (f) The ~~Insurance~~ Department of Insurance, the Department of Labor, the Department of
204 Community Health, and such other state agencies as may be considered appropriate by the
205 advisory commission shall provide staff assistance to the advisory commission."

206 **SECTION 1-9.**

207 Said title is further amended by revising Code Section 33-2-1, relating to creation of the
208 department, Commissioner chief officer of department, and powers and duties of department
209 and Commissioner generally, as follows:

210 "33-2-1.

211 There is created the ~~Insurance~~ Department of Insurance of the State of Georgia. The chief
212 officer of such department shall be the Commissioner of Insurance. The purpose and
213 function of the department and the duties and powers of the Commissioner shall be those
214 created and vested by this title."

215 **SECTION 1-10.**

216 Said title is further amended by repealing Code Section 33-2-4, relating to appointment and
217 removal of chief deputy insurance commissioner and other deputies, and designating said
218 Code section as reserved.

219 **SECTION 1-11.**

220 Said title is further amended by repealing Code Section 33-2-8, relating to annual report of
221 the Commissioner, and designating said Code section as reserved.

222 **SECTION 1-12.**

223 Said title is further amended by repealing Code Section 33-2-8.1, relating to purpose of Code
224 section, preparation by Commissioner of supplemental report on property and casualty
225 insurance, contents of report, and request for information.

226 **SECTION 1-13.**

227 Said title is further amended by repealing Code Section 33-2-8.2, relating to Commissioner's
228 quarterly report to legislative committees on insurance and contents.

229 **SECTION 1-14.**

230 Said title is further amended by repealing Code Section 33-2-33, relating to list of written
 231 requests for assistance by citizens against insurers, and designating said Code section as
 232 reserved.

233 **SECTION 1-15.**

234 Said title is further amended by revising Code Section 33-3-4, relating to kinds of insurance
 235 in which insurers may transact, as follows:

236 "33-3-4.

237 An insurer which otherwise qualifies to transact insurance in Georgia may be authorized
 238 to transact any one kind or combination of kinds of insurance as defined in Chapter 7 of
 239 this title except:

240 (1) A reciprocal insurer shall not transact life insurance;

241 (2) A Lloyd's insurer shall not transact life insurance; and

242 (3) A title insurer shall be a stock insurer and shall be authorized to transact only title
 243 insurance and closing protection letters, pursuant to Code Section 33-7-8.1, ~~except that,~~
 244 ~~if immediately prior to January 1, 1961, any title insurer lawfully held a subsisting~~
 245 ~~certificate of authority granting it the right to transact in Georgia additional classes of~~
 246 ~~insurance other than title insurance, so long as the insurer is otherwise in compliance with~~
 247 ~~this title, the Commissioner shall continue to authorize such insurer to transact the same~~
 248 ~~classes of insurance as those specified in such prior certificate of authority."~~

249 **SECTION 1-16.**

250 Said title is further amended by revising Code Section 33-3-5, relating to classification of
 251 kinds of insurance, as follows:

252 "33-3-5.

253 For the purpose of this chapter, the kinds of insurance defined in Chapter 7 of this title shall
 254 be arranged in the following six classes:

255 (1) Life, accident, and sickness;

256 (2) Property, marine, and transportation;

257 (3) Casualty;

258 (4) Surety;

259 (5) Title; and

260 (6) Health ~~Maintenance Organization~~ maintenance organization.

261 Each of the groups numbered (1) through (6) shall constitute a class of insurance."

262 **SECTION 1-17.**

263 Said title is further amended by revising Code Section 33-3-9, relating to requirement of
264 additional deposits of securities by foreign and alien insurers, as follows:

265 "33-3-9.

266 ~~On and after July 1, 1967, in~~ In those instances in which the Commissioner in his or her
267 judgment shall deem it to be in the best interests of the citizens of this state, no certificate
268 of authority shall be issued by the Commissioner to any foreign and alien insurer nor shall
269 any certificate of authority be renewed for any such insurer unless such insurer shall
270 deposit with the Commissioner securities eligible for the investment of capital funds in
271 such amount as the Commissioner shall require. This deposit and the deposit required by
272 paragraph (1) of subsection (b) of Code Section 33-3-8 shall be administered as provided
273 for in Chapter 12 of this title. Deposits under this Code section shall be held for the
274 protection of the insurer's policyholders in this state and others in this state entitled to the
275 proceeds of its policies."

276 **SECTION 1-18.**

277 Said title is further amended in Code Section 33-3-20, relating to imposition of
278 administrative fine upon insurer for certain acts of officers, employees, agents, or
279 representatives, by revising subsection (c) as follows:

280 "(c) For the purposes of this Code section, the term 'insurer' shall include any insurer,
281 nonprofit organization, or any other person authorized to sell accident and sickness
282 insurance policies, subscriber contracts, certificates, or agreements of any form under
283 Chapter 15, ~~18, 19~~, 20, 21, 29, or 30 of this title."

284 **SECTION 1-19.**

285 Said title is further amended by revising Code Section 33-3-21, relating to reports of business
286 affairs and operations of insurers generally, as follows:

287 "33-3-21.

288 On or before March 1 in each year after it shall have commenced to do business pursuant
289 to a certificate of authority, every insurer shall make and file with the Commissioner ~~of~~
290 ~~Insurance~~ a report of its affairs and operations during the year ending on December 31 of
291 the preceding year. This annual report shall be made in such form and contain such
292 information as the Commissioner may prescribe by regulation from time to time and may
293 require in protecting the public interest, the interest of the policyholders of any insurer, and
294 the interest of the investors in the securities issued by any insurer. The Commissioner may
295 require by regulation any additional periodic reports as he or she may prescribe from time
296 to time as necessary or appropriate for the protection of policyholders, investors, and the

297 public and necessary to ensure the solvency of any insurer, to inform and protect the
 298 investors in any insurer, and to assure fair dealing in the securities of any insurer. The
 299 Commissioner may require that the reports be verified under oath by any appropriate
 300 officers or agents as he or she may designate by regulation and may require the same to be
 301 published. Compliance with this Code section shall be a condition to the renewal of a
 302 certificate of authority under Code Section 33-3-16."

303 **SECTION 1-20.**

304 Said title is further amended in Code Section 33-3-23, relating to restrictions as to transaction
 305 of insurance by lending institutions and bank holding companies, by revising subsection (b)
 306 as follows:

307 "(b) A lending institution, bank holding company, or subsidiary or affiliate of either of the
 308 foregoing doing business in this state, or any officer or employee of any of the foregoing,
 309 may be licensed to sell insurance, including but not limited to credit insurance, in this state
 310 and may engage in underwriting and act as an underwriter for credit life insurance and
 311 credit accident and sickness insurance subject to the provisions of this title and in
 312 conformity with rules and regulations promulgated by the Commissioner ~~of Insurance.~~"

313 **SECTION 1-21.**

314 Said title is further amended by revising Code Section 33-3-25, relating to language
 315 simplification and reading ease standards and applicability of Code section, as follows:

316 "33-3-25.

317 (a) All homeowner's insurance policies, including tenant homeowner's insurance policies,
 318 personal automobile insurance policies, individual life or accident and sickness insurance
 319 policies, all certificates of group life or accident and sickness insurance coverage, and all
 320 coverage booklets provided by insurers to group life or accident and sickness insurance
 321 certificate holders which are issued, delivered, or issued for delivery in this state on or after
 322 July 1, 1988, shall be written in a simplified form, shall be divided into logically arranged,
 323 captioned sections, and shall contain readable language which complies with the standards
 324 prescribed in such rules and regulations as may be promulgated by the Commissioner ~~of~~
 325 ~~Insurance~~ after due notice and hearing.

326 (b) In establishing the policy language simplification and reading ease standards for such
 327 policies, certificates, and coverage booklets, the Commissioner ~~of Insurance~~ may utilize
 328 a minimum score of 40 on the 'Flesch reading ease test' as the basic standard, or such other
 329 nationally recognized reading ease standards or tests as would produce comparable policy
 330 language simplification and readability results, and ~~he~~ may also provide for exceptions
 331 thereto by appropriate rules and regulations.

332 (c) This Code section shall apply to all insurers issuing the kinds of insurance policies
 333 described in subsection (a) of this Code section in this state, including all insurers,
 334 nonprofit corporations, or other organizations issuing policies or contracts of life or
 335 accident and sickness coverage under Chapter 15, ~~18, 19~~, 20, 21, 29, or 30 of this title."

336 **SECTION 1-22.**

337 Said title is further amended in Code Section 33-4-7, relating to affirmative duty to fairly and
 338 promptly adjust in incidents covered by motor vehicle liability policies, actions for bad faith,
 339 and notice to Commissioner of Insurance and consumers' insurance advocate, by revising
 340 subsection (g) as follows:

341 "(g) In any action brought pursuant to subsection (b) of this Code section, and within 20
 342 days of bringing such action, the plaintiff shall, in addition to service of process in
 343 accordance with Code Section 9-11-4, mail to the Commissioner of Insurance a copy of the
 344 demand and complaint by first-class mail. Failure to comply with this subsection may be
 345 cured by delivering same."

346 **SECTION 1-23.**

347 Said title is further amended in Code Section 33-5-1, relating to representation of
 348 unauthorized insurers prohibited, by revising paragraph (6) of subsection (b) as follows:

349 "(6) Any insurance company or underwriter issuing contracts of insurance to nuclear
 350 insureds, nor to any contract of insurance issued to any one or more nuclear insureds,
 351 provided that such nuclear insured under a contract procured from an unauthorized
 352 insurer shall pay to the Commissioner of Insurance before March 1 of the succeeding
 353 calendar year following the year in which the insurance was so effectuated, continued,
 354 or renewed, a premium receipts tax of 4 percent of the gross premiums charged for such
 355 insurance. For the purposes of this paragraph, a 'nuclear insured' is an insured purchasing
 356 policies of insurance on risks on its own nuclear generating plants and other facilities at
 357 such plants in this state."

358 **SECTION 1-24.**

359 Said title is further amended in Code Section 33-5-2, relating to validity of contracts
 360 effectuated by unauthorized insurers and dissemination of advertising for or on behalf of
 361 unauthorized insurers, by revising subsection (b) as follows:

362 "(b) No publication published in this state or radio or television ~~broadcaster~~ broadcast or
 363 any other agency or means for the dissemination of information operated or located in this
 364 state shall publish, broadcast, or otherwise disseminate within this state advertising for or
 365 on behalf of any insurer not then authorized to transact insurance in this state; provided,

366 however, that this subsection shall not apply as to publications published in this state
 367 principally for circulation in other states, wherein advertising by or on behalf of such
 368 unauthorized insurers is not expressly directed toward residents or subjects of insurance in
 369 this state."

370 **SECTION 1-25.**

371 Said title is further amended in Code Section 33-5-20.1, relating to definitions, by revising
 372 subparagraph (D) of paragraph (6) as follows:

373 "(D) The person has:

374 (i) At least seven years of experience in risk financing, claims administration, loss
 375 prevention, risk and insurance coverage analysis, or purchasing commercial lines of
 376 insurance;

377 (ii) Any one of the designations specified in subparagraph (C) of this paragraph; or

378 ~~(iii) At least ten years of experience in risk financing, claims administration, loss
 379 prevention, risk and insurance coverage analysis, or purchasing commercial lines of
 380 insurance; or~~

381 ~~(iv)~~(iii) A graduate degree from an accredited college or university in risk
 382 management, business administration, finance, economics, or any other field
 383 determined by a state insurance commissioner or other state regulatory official or
 384 entity to demonstrate minimum competence in risk management."

385 **SECTION 1-26.**

386 Said title is further amended in Code Section 33-5-21, relating to authorization of
 387 procurement of surplus line insurance, conditions, and procuring or placing nonadmitted
 388 insurance for exempt commercial purchaser, by revising paragraph (4) of subsection (a) as
 389 follows:

390 "(4) The insurance shall not be procured under this chapter for personal private passenger
 391 motor vehicle coverage or residential dwelling property coverage unless such insurance
 392 cannot be obtained from an authorized insurer."

393 **SECTION 1-27.**

394 Said title is further amended in Code Section 33-5-23, relating to revocation or suspension
 395 of broker's license, by revising subsection (d) as follows:

396 "(d) No broker whose license has been so revoked shall again be so licensed within ~~two~~
 397 five years thereafter nor until any penalties or delinquent taxes owing by him or her have
 398 been paid."

399 **SECTION 1-28.**

400 Said title is further amended by revising Code Section 33-5-26, relating to endorsement of
401 insurance contract by broker, as follows:

402 "33-5-26.

403 (a) Every insurance contract procured and delivered as a surplus line coverage shall be
404 initialed by or bear the name of the surplus line broker who procured it and shall have
405 printed or stamped upon it the following: 'This contract is registered and delivered as a
406 surplus line coverage under the Surplus Line Insurance Law, O.C.G.A. Chapter 33-5.'

407 (b) No surplus lines policy or certificate in which the policy premium is \$5,000.00 per
408 annum or less shall be delivered in this state unless a standard disclosure form or brochure
409 explaining surplus lines insurance is attached to or made a part of the policy or certificate.
410 The Commissioner shall prescribe by rule or regulation the format and contents of such
411 form or brochure.

412 ~~(c) Pursuant to Code Section 33-2-9, the Commissioner may promulgate rules and~~
413 ~~regulations which are necessary to implement the provisions of this article."~~

414 **SECTION 1-29.**

415 Said title is further amended in Code Section 33-5-29, relating to filing of quarterly affidavits
416 by surplus line brokers and filing of reports of affairs and operations by brokers, by revising
417 subsection (a) as follows:

418 "(a) Each surplus line broker shall file with the Commissioner, on a quarterly basis, an
419 affidavit executed by the surplus line broker setting forth the facts referred to in Code
420 Section 33-5-21. Such affidavit shall furnish certificate or cover note number, name of
421 insured, the amount of the premium, the tax paid thereon, and any other information as the
422 Commissioner may require for all surplus line transactions in which premiums were paid
423 to the surplus line broker during the previous quarter. The quarterly affidavit shall be filed
424 with the Commissioner on or before the fifteenth day of April, July, October, and January.
425 Each surplus line broker shall remit a 4 percent tax on direct premiums written, as ~~defined~~
426 described in Code Section 33-5-31. The tax shall be remitted with the surplus line broker's
427 quarterly affidavit."

428 **SECTION 1-30.**

429 Said title is further amended in Code Section 33-5-33, relating to filing of report by persons
430 procuring insurance with unauthorized insurers and levy, collection, and disposition of tax
431 by persons procuring such insurance, by revising subsection (e) as follows:

432 "(e) This Code section shall not apply to life or accident and sickness ~~insurances~~
433 insurance."

434 **SECTION 1-31.**

435 Said title is further amended by revising Code Section 33-5-35, relating to applicability of
436 article, as follows:

437 "33-5-35.

438 This article controlling the placing of insurance with unauthorized insurers shall not apply
439 to reinsurance or to the following ~~insurances~~ insurance when so placed by licensed agents
440 or brokers of this state:

- 441 (1) Insurance on property or operation of railroads engaged in interstate commerce; or
442 (2) Insurance of aircraft owned or operated by manufacturers of aircraft or operated in
443 scheduled interstate flight, or cargo of the aircraft, or against liability, other than workers'
444 compensation and employer's liability, arising out of the ownership, maintenance, or use
445 of the aircraft."

446 **SECTION 1-32.**

447 Said title is further amended by revising Code Section 33-5-40, relating to legislative
448 findings for the Interstate Cooperation for Collection and Disbursement of Premium Taxes,
449 as follows:

450 "33-5-40.

451 The General Assembly finds the federal Nonadmitted and Reinsurance Reform Act
452 of 2010, which was incorporated into the federal Dodd-Frank Wall Street Reform and
453 Consumer Protection Act, P.L. 111-203, provides that only an insured's home state may
454 require premium tax payment for nonadmitted insurance and authorizes states to enter into
455 a compact or otherwise establish procedures to allocate among the states the nonadmitted
456 insurance premium taxes. The General Assembly further finds that as the states are still
457 in flux as to which proposed plan is best for them to enter, or if any agreement should be
458 entered into by the state, the Commissioner of Insurance is in a unique position to weigh
459 these options and to determine what is in the best interest of the state financially.
460 Therefore, the General Assembly acknowledges that some flexibility is necessary to
461 determine that the best financial interests of the state are met."

462 **SECTION 1-33.**

463 Said title is further amended by revising Code Section 33-5-41, relating to Governor
464 authorized to enter into cooperative agreement, compact, or reciprocal agreement for
465 collection of insurance premium taxes, as follows:

466 "33-5-41.

467 The Governor, on behalf of the state, advised by and in consultation with the
468 Commissioner of Insurance, is authorized to enter into a cooperative agreement, compact,

469 or reciprocal agreement with another state or states for the purpose of the collection of
 470 insurance premium taxes imposed by Code Sections 33-5-31 and 33-5-33."

471 **SECTION 1-34.**

472 Said title is further amended in Code Section 33-6-4, relating to enumeration of unfair
 473 methods of competition and unfair or deceptive acts or practices and penalty, by revising
 474 subparagraphs (b)(13)(C) and (b)(15)(I) as follows:

475 "(C) Making direct response advertising by an insurer, including radio or television
 476 advertisement, of any individual or group accident and sickness or life insurance policy
 477 where such advertisement has not been approved for use in this state by the
 478 Commissioner of Insurance;"

479 "(I) Any person issuing, delivering, or renewing a policy of insurance in this state at
 480 any time ~~within a period of 24 months after July 1, 2000~~, shall include with such policy
 481 or renewal certificate a notice attached thereto containing the following language:"

482 **SECTION 1-35.**

483 Said title is further amended in Code Section 33-6-5, relating to other unfair methods of
 484 competition and unfair and deceptive acts or practices, by revising subparagraph (C) of
 485 paragraph (4) and paragraph (14) as follows:

486 "(C) The restrictions and limitations of this paragraph shall not extend to life or
 487 accident and sickness insurance; nor shall they apply to any bona fide association group
 488 which is composed of members engaged in a common trade, business, or profession and
 489 which has had group insurance of the same type continuously in existence for at least
 490 five years ~~immediately preceding March 8, 1960~~;"

491 "(14) On and after July 1, 1992, no insurer, as defined in ~~paragraph (4) of~~ Code
 492 Section 33-1-2, shall issue, cause to be issued, renew, or provide coverage under any
 493 major medical insurance policy or plan containing a calendar year deductible or similar
 494 plan benefit period deductible which does not provide for a carry-over of the application
 495 of such deductible as provided in this paragraph. If all or any portion of an insured's or
 496 member's cash deductible for a calendar year or similar plan benefit period is applied
 497 against covered expenses incurred by the insured or member during the last three months
 498 of the deductible accumulation period, the insured's or member's cash deductible for the
 499 next ensuing calendar year or similar benefit plan period shall be reduced by the amount
 500 so applied. The provisions of this paragraph shall apply to major medical insurance
 501 policies or plans which have a benefit plan period of less than 24 months, except policies
 502 or plans designed and issued to be compatible with a health savings account as set out in
 503 26 U.S.C. Section 223 or a spending account as defined in Chapter 30B of this title."

504

SECTION 1-36.

505 Said title is further amended in Code Section 33-7-6, relating to property insurance, contract
 506 requirements, rules and regulations, and exemptions, by revising subsections (d) and (f) as
 507 follows:

508 "(d) The Commissioner shall ~~have the power and authority to~~ promulgate rules and
 509 regulations regarding vehicle service agreements or extended warranty agreements as
 510 described in paragraph (1) of subsection (b) of this Code section. Such rules and
 511 regulations shall include filing requirements, disclosures for the benefit of the agreement
 512 holder, record keeping, and procedures for public complaints. Such rules and regulations
 513 shall also include the conditions under which surplus lines insurers may be rejected for the
 514 purpose of underwriting vehicle service agreements and extended warranty agreements."

515 "(f) Property insurance does not include those agreements commonly known as vehicle
 516 service agreements or extended warranty agreements which are issued, sold, or offered for
 517 sale by a retail installment seller, as defined in Code Section 10-1-31 in connection with
 518 the sale of a motor vehicle by such retail installment seller, provided that such retail
 519 installment seller:

520 (1) Maintains, or has a parent company maintain, a net worth or stockholders' equity of
 521 at least \$50 million, provided the parent company guarantees the obligations of the retail
 522 installment seller arising from vehicle service agreements or extended warranty
 523 agreements underwritten pursuant to this ~~subparagraph~~ paragraph;

524 (2) Complies with the registration requirement prescribed by the Commissioner through
 525 regulation;

526 (3) Files with the Commissioner a true and correct copy of the vehicle service agreement
 527 or extended warranty agreement that has a term of and is no longer than nine months in
 528 a form that is consistent with the terms prescribed by the Commissioner through
 529 regulation;

530 (4) Files a copy of its Form 10-K or Form 20-F disclosure statements, or if it does not
 531 file such statements with the United States Securities and Exchange Commission, a copy
 532 of its audited financial statements reported on a GAAP basis. If the retail installment
 533 seller's financial statements are consolidated with those of its parent company, then the
 534 retail installment seller may comply with this provision by filing the statements of its
 535 parent company. The statement shall be filed with the Commissioner 30 days prior to the
 536 retail installment seller's initial offering or delivering of a service agreement or extended
 537 warranty agreement, and thereafter, the statement shall be filed with the Commissioner
 538 annually; and

539 (5) Upon the request of the Commissioner, posts a security deposit or surety bond in an
 540 amount not to exceed \$250,000.00 and in the manner prescribed by the Commissioner
 541 through regulation."

542 **SECTION 1-37.**

543 Said title is further amended in Code Section 33-7-8.1, relating to closing protection letters,
 544 definitions, premiums regarding such letters, maintenance of adequate reserves, and rules and
 545 regulations, by revising subsection (e) as follows:

546 "(e) The Commissioner shall ~~be authorized to~~ promulgate rules and regulations necessary
 547 to implement this Code section, which shall include, but shall not be limited to, prescribing
 548 standard closing protection letter policy forms."

549 **SECTION 1-38.**

550 Said title is further amended in Code Section 33-7-11, relating to uninsured motorist
 551 coverage under motor vehicle liability policies, by revising paragraphs (3) and (4) of
 552 subsection (a), subparagraph (b)(1)(B), and subdivision (b)(1)(D)(ii)(III) as follows:

553 "(3) The coverage required under paragraph (1) of this subsection shall not be applicable
 554 where any insured named in the policy shall reject the coverage in writing. The coverage
 555 required under paragraph (1) of this subsection excludes umbrella or excess liability
 556 policies unless affirmatively provided for in such policies or in a policy endorsement.
 557 The coverage need not be provided in or supplemental to a renewal policy where the
 558 named insured had rejected the coverage in connection with a policy previously issued
 559 to said insured by the same insurer. ~~The amount of coverage need not be increased in a~~
 560 ~~renewal policy from the amount shown on the declarations page for coverage existing~~
 561 ~~prior to July 1, 2001.~~ The amount of coverage need not be increased from the amounts
 562 shown on the declarations page on renewal once coverage is issued.

563 (4) The filing of a petition for relief in bankruptcy under a chapter of Title 11 of the
 564 United States Code by an uninsured motorist as ~~defined~~ described in this Code section,
 565 or the appointment of a trustee in bankruptcy for an uninsured motorist as ~~defined~~
 566 described in this Code section, or the discharge in bankruptcy of an uninsured motorist
 567 as ~~defined~~ described in this Code section shall not affect the legal liability of an uninsured
 568 motorist as the term 'legal liability' is used in this Code section, and such filing of a
 569 petition for relief in voluntary or involuntary bankruptcy, the appointment of a trustee in
 570 bankruptcy, or the discharge in bankruptcy of such an uninsured motorist shall not be
 571 pleaded by the insurance carrier providing uninsured motorist protection in bar of any
 572 claim of an insured ~~person~~ as defined in this Code section so as to defeat payment for
 573 damages sustained by any insured ~~person~~ by the insurance company providing uninsured

574 motorist protection and coverage under the terms of this chapter ~~as now or hereafter~~
 575 ~~amended~~; but the insurance company or companies shall have the right to defend any
 576 such action in its own name or in the name of the uninsured motorist and shall make
 577 payment of any judgment up to the limits of the applicable uninsured motorist insurance
 578 protection afforded by its policy. In those cases, the uninsured motorist upon being
 579 discharged in bankruptcy may plead the discharge in bankruptcy against any subrogation
 580 claim of any uninsured motorist carrier making payment of a claim or judgment in favor
 581 of an uninsured person, and the uninsured motorist may plead said motorist's discharge
 582 in bankruptcy in bar of all amounts of an insured person's claim in excess of uninsured
 583 motorist protection available to the insured person."

584 "(B) 'Insured' means the named insured and, while resident of the same household, the
 585 spouse of any such named insured and relatives of either, while in a motor vehicle or
 586 otherwise; any person who uses, with the expressed or implied consent of the named
 587 insured, the motor vehicle to which the policy applies; a guest in such motor vehicle to
 588 which the policy applies; or the personal representatives of any ~~of the above~~. For
 589 ~~policies issued or renewed on or after July 1, 2006, the~~ such persons. The term 'insured'
 590 shall also mean a foster child or ward residing in the household of the named insured
 591 pursuant to a court order, guardianship, or placement by the ~~Department of Family and~~
 592 ~~Children Services~~ department of family and children services or other department or
 593 agency of the state, while in a motor vehicle or otherwise."

594 "(III) Neither coverage under subdivision (I) nor (II) of this division shall be
 595 applicable if the insured rejects such coverages as provided in paragraph (3) of
 596 subsection (a) of this Code section. ~~For private passenger motor vehicle insurance~~
 597 ~~policies in effect on January 1, 2009, insurers shall send to their insureds who have~~
 598 ~~not rejected coverage pursuant to paragraph (3) of subsection (a) of this Code~~
 599 ~~section a notice at least 45 days before the first renewal of such policies advising of~~
 600 ~~the coverage options set forth in this division. Such notice shall not be required for~~
 601 ~~any subsequent renewals for policies in effect on January 1, 2009, or for any~~
 602 ~~renewals for policies issued after January 1, 2009.~~ The coverage set forth in
 603 subdivision (I) of this division need not be provided in or supplemental to a renewal
 604 policy where the named insured has rejected the coverage set forth in subdivision
 605 (I) of this division and selected the coverage set forth in subdivision (II) of this
 606 division in connection with a policy previously issued to said insured by the same
 607 insurer;"

SECTION 1-39.

608

609 Said title is further amended by revising Code Section 33-8-1, relating to fees and taxes
610 generally, as follows:

611 "33-8-1.

612 The Commissioner is authorized to assess and collect in advance, and persons so assessed
613 shall pay in advance to the Commissioner, fees and charges under this title as follows:

614 (1) Unless specifically provided otherwise, for each certificate of authority, original
615 license, renewal of a certificate of authority, or renewal of a license:

616 (A) Agent, subagent, counselor, adjuster, or principal office of an insurance
617 agency (new license) \$ 100.00

618 (B) Agent, subagent, counselor, adjuster, or principal office of an insurance
619 agency (biennial license renewal) 100.00

620 (B.1) Each branch office of an insurance agency other than the principal
621 office (new license) 20.00

622 (B.2) Each branch office of an insurance agency other than the principal
623 office (biennial license renewal) 20.00

624 (C) Agent certificate of authority for subagent 5.00

625 (D) Automobile self-insurance 100.00

626 (E) Captive insurance company:

627 (i) Original license or certificate 600.00

628 (ii) Renewal license or certificate 500.00

629 (F) Continuing care provider 75.00

630 (G) Duplicate certificate of authority, license, or permit 25.00

631 (H) Farmers mutual fire insurance company:

632 (i) Original license or certificate 500.00

633 (ii) Renewal license or certificate 25.00

634 (I) Fraternal benefit society:

635 (i) Original license or certificate 600.00

636 (ii) Renewal license or certificate 500.00

637 (I.1) Health care corporations:

638 (i) Original license or certificate 600.00

639 (ii) Renewal license or certificate 500.00

640 (J) Health maintenance organization:

641 (i) Original license or certificate 600.00

642 (ii) Renewal license or certificate 500.00

643	(K) Insurer certificate of authority for agent	10.00
644	(L) Life, accident, and sickness insurance company:	
645	(i) Original license or certificate	600.00
646	(ii) Renewal license or certificate	500.00
647	(M) Managing general agent:	
648	(i) Original license or certificate	600.00
649	(ii) Renewal license or certificate	500.00
650	(N) Multiple employer self-insurance plan	400.00
651	(O) Premium finance company (full power)	500.00
652	(P) Premium finance company (limited power)	300.00
653	(Q) Reserved.	
654	(R) Prepaid legal services plans	500.00
655	(S) Private review agents:	
656	(i) Original license or certificate	1,000.00
657	(ii) Renewal license or certificate	500.00
658	(T) Property and casualty insurance company:	
659	(i) Original license or certificate	600.00
660	(ii) Renewal license or certificate	500.00
661	(U) Reserved.	
662	(V) Rating or advisory organization	100.00
663	(W) Reinsurance intermediary	50.00
664	(X) Surplus lines broker	600.00
665	(Y) Third-party administrators:	
666	(i) Original license or certificate	500.00
667	(ii) Renewal license or certificate	400.00
668	(Z) Title insurance company:	
669	(i) Original license or certificate	600.00
670	(ii) Renewal license or certificate	500.00
671	(AA) Utilization review agent	200.00
672	(BB) Each vending machine licensed under Chapter 23 of this title	25.00
673	(CC) Workers' compensation group self-insurance fund:	
674	(i) Original license or certificate	600.00
675	(ii) Renewal license or certificate	500.00

676	(2) Bond or security deposits:	
677	(A) Not over \$5,000.00	4.00
678	(B) Not over \$10,000.00	8.00
679	(C) Not over \$25,000.00	15.00
680	(D) Not over \$50,000.00	25.00
681	(E) Over \$50,000.00 but less than \$100,000.00	40.00
682	(F) \$100,000.00 or more	50.00
683	(3) Examination fee for agent's, subagent's, counselor's, or adjuster's license	25.00
684	(4) Application fee for agent's, subagent's, adjuster's, or counselor's license	15.00
685	(5) Status letter for agent, subagent, counselor, or adjuster	10.00
686	(6) For the following filings:	
687	(A) Bylaws amendments	25.00
688	(B) Certification of annual statement	10.00
689	(C) Certification of examination report	10.00
690	(D) Certification of other documents	5.00
691	(E) Charter amendments	25.00
692	(F) Education course provider (original filing)	100.00
693	(G) Education course provider (renewal filing)	50.00
694	(H) Education course or program	10.00
695	(I) Education course instructor	10.00
696	(J) Financial statement	50.00
697	(K) Form A	5,000.00
698	(L) Form A exemption	1,000.00
699	(M) Form B	500.00
700	(N) Form B exemption	100.00
701	(O) Individual risk rate or form	10.00
702	(P) Insurance policy form	25.00
703	(Q) Insurance rate filing	75.00
704	(R) Listing of licensed agents, subagents, counselors, or adjusters	1,000.00
705	(S) Listing of insurer's certificates of authority filed for agents	5.00
706	(T) Listing of agent's certificates of authority filed for subagents	5.00
707	(U) List of licensees or permit or certificate holders other than agents,	
708	subagents, counselors, or adjusters	40.00
709	(V) License, permit, or certificate of authority amendment	25.00

710	(W) Late fee for filings	15.00
711	(X) Registration of risk retention groups	100.00
712	(Y) Registration of purchasing groups	100.00
713	(Z) Filing of other documents	50.00
714	(AA) Amendment of filings	25.00
715	Provided, however, that the Commissioner, in his or her discretion, may	
716	exempt from such fee change of address filings done offline by agents,	
717	subagents, counselors, and adjusters.	
718	(AA.1) Change of address filings done online by agents, subagents,	
719	counselors, and adjusters	No charge
720	(BB) Service of process	15.00
721	(7) For refileing of corrected documents under this Code section, provided that	
722	fees were paid with original filing	No charge"

SECTION 1-40.

724 Said title is further amended in Code Section 33-8-4, relating to amount and method of
 725 computing tax on insurance premiums generally and exclusion of annuity considerations, by
 726 revising subsection (a) as follows:

727 "(a) All foreign, alien, and domestic insurance companies doing business in this state shall
 728 pay a tax of 2 1/4 percent upon the gross direct premiums received by them ~~on and after~~
 729 ~~July 1, 1955~~. The tax shall be levied upon persons, property, or risks in Georgia, from
 730 January 1 to December 31, both inclusive, of each year without regard to business ceded
 731 to or assumed from other companies. The tax shall be imposed upon gross premiums
 732 received from direct writings without any deductions allowed for premium abatements of
 733 any kind or character or for reinsurance or for cash surrender values paid, or for losses or
 734 expenses of any kind; provided, however, that deductions shall be allowed for premiums
 735 returned on change of rate or canceled policies; provided, further, that deductions may be
 736 permitted for return premiums or assessments, including all policy dividends, refunds, or
 737 other similar returns paid or credited to policyholders and not reapplied as premium for
 738 additional or extended life insurance. The term 'gross direct premiums' shall not include
 739 annuity considerations."

SECTION 1-41.

741 Said title is further amended in Code Section 33-8-4.1, relating to state insurance premiums
 742 tax credits for insurance companies located in certain counties designated as less developed

743 areas and authority of commissioner of community affairs and Commissioner of Insurance,
744 by revising paragraph (2) of subsection (f) as follows:

745 "(2) Existing business enterprises as defined under paragraph (2) of subsection (a) of this
746 Code section shall be allowed an additional tax credit for taxes imposed under Code
747 Section 33-8-4 equal to \$500.00 per eligible new full-time employee job for one year
748 after the creation of such job. The additional credit shall be claimed in year two after the
749 creation of such job. The number of new full-time jobs shall be determined by comparing
750 the monthly average number of full-time employees subject to Georgia income tax
751 withholding for the calendar year with the corresponding period of the prior calendar
752 year. In tier 1 counties, those existing business enterprises that increase employment by
753 five or more shall be eligible for the credit. In tier 2 counties, only those existing
754 business enterprises that increase employment by ten or more shall be eligible for the
755 credit. In tier 3 counties, only those existing business enterprises that increase
756 employment by 15 or more shall be eligible for the credit. In tier 4 counties, only those
757 existing business enterprises that increase employment by 25 or more shall be eligible for
758 the credit. The average wage of the new jobs created must be above the average wage
759 of the county that has the lowest average wage of any county in the state to qualify as
760 reported in the most recently available annual issue of the Georgia Employment and
761 Wages Averages Report of the Department of Labor. To qualify for a credit under this
762 paragraph, the employer must make health insurance coverage available to the employee
763 filling the new full-time job; provided, however, that nothing in this paragraph shall be
764 construed to require the employer to pay for all or any part of health insurance coverage
765 for such an employee in order to claim the credit provided for in this paragraph if such
766 employer does not pay for all or any part of health insurance coverage for other
767 employees. Credit shall not be allowed during a year if the net employment increase falls
768 below the number required in such tier. Any credit received for years prior to the year
769 in which the net employment increase falls below the number required in such tier shall
770 not be affected. The Commissioner of Insurance shall adjust the credit allowed each year
771 for net new employment fluctuations above the minimum level of the number required
772 in such tier. ~~This paragraph shall apply only to new eligible full-time jobs created on or~~
773 ~~after January 1, 2009, and prior to January 1, 2014."~~

774 **SECTION 1-42.**

775 Said title is further amended in Code Section 33-8-4.2, relating to assignment, carryover, and
776 liability regarding tax credits, by revising subsection (b) as follows:

777 "(b) In lieu of claiming any tax credit under Code Section 33-8-4.1 for which a taxpayer
778 otherwise is eligible for the calendar year (such eligibility being determined for this

779 purpose without regard to any limitation imposed by reason of the taxpayer's precredit tax
 780 liability under Code Section 33-8-4), the taxpayer may elect to assign such credit in whole
 781 or in part to one or more affiliated entities for such calendar year by attaching a statement
 782 to the taxpayer's return for the calendar year; provided, however, that no carryover
 783 attributable to the unused portion of any previously claimed or assigned credit may be
 784 assigned or reassigned, except as provided in subsection (d) of this Code section. Such
 785 election must be made on or before the due date for filing the applicable tax return under
 786 Code Section 33-8-4, including any extensions which have been granted. In the case of any
 787 credit that must be claimed in installments in more than one calendar year, the election
 788 under this subsection may be made on an annual basis with respect to each such
 789 installment, provided that the taxpayer shall notify the Commissioner of Insurance with
 790 respect to the assignment of each such installment by filing a separate copy of the election
 791 statement for such installment no later than the due date for filing the applicable tax return
 792 under Code Section 33-8-4, including any extensions which have been granted. Once
 793 made, an election under this subsection shall be irrevocable."

794 **SECTION 1-43.**

795 Said title is further amended in Code Section 33-8-8.1, relating to county and municipal
 796 corporation taxes on life insurance companies, by revising subsections (c), (g), (h), and (i)
 797 as follows:

798 "~~(c)(1) On March 1, 1984, and on that date in each subsequent~~ of each year, each life
 799 insurance company shall file a certified return on a form prescribed by the Commissioner
 800 showing gross direct premiums received during the preceding calendar year that will
 801 appear in the company's certified annual statement.

802 (2) Reserved.

803 (3) ~~On or before August 1, 1988, and on the same date in each subsequent~~ of each year,
 804 the Commissioner shall collect taxes imposed pursuant to subsection (b) of this Code
 805 section on behalf of counties and municipal corporations whose ordinances have been
 806 filed with the Commissioner. The tax collected for each year shall be based upon gross
 807 direct premiums written during the preceding calendar year. Penalty and interest as
 808 prescribed in subsection (d) of Code Section 33-8-6 shall be imposed for late payment,
 809 underpayment, or nonpayment of such taxes."

810 "~~(g) On or before October 15, 1988, and on the same date in each subsequent~~ of each year,
 811 the Commissioner shall distribute the taxes imposed by counties and municipal
 812 corporations which are actually remitted to and collected by the Commissioner. On or
 813 before October 15, 1988, ~~and on the same date in each subsequent~~ of each year, the
 814 Commissioner shall distribute any delinquent taxes actually collected by the Commissioner

815 for a previous year, exclusive of any interest or penalty on such delinquent taxes, which
 816 delinquent taxes have not previously been distributed.

817 ~~(h) Amounts collected by the Commissioner under or due under former Code Section~~
 818 ~~33-8-8.1 shall be collected and disbursed as provided in former Code Section 33-8-8.1.~~

819 ~~(i)~~(h) For purposes of this Code section, population shall be measured by the United States
 820 decennial census of 1990 or any future such census plus any corrections or revisions
 821 contained in official statements by the United States Bureau of the Census made prior to
 822 the first day of September immediately preceding the distribution of the proceeds of such
 823 taxes by the Commissioner and any additional official census data received by the
 824 Commissioner from the United States Bureau of the Census or its successor agency
 825 pertaining to any newly incorporated municipality. Such corrections, revisions, or
 826 additional data shall be certified to the Commissioner by the Office of Planning and Budget
 827 on or before August 31 of each year."

828 **SECTION 1-44.**

829 Said title is further amended in Code Section 33-8-8.2, relating to county and municipal
 830 corporation taxes on other than life insurance companies, by revising paragraphs (3) and (5)
 831 of subsection (b) as follows:

832 ~~"(3)(A) On March 1, 1984, and on the same date in each subsequent of each~~ year, each
 833 insurance company upon which a tax is imposed by subsection (b) of this Code section
 834 shall file a certified return on a form prescribed by the Commissioner showing gross
 835 direct premiums received during the preceding calendar year that will appear in the
 836 company's certified annual statement.

837 (B) Reserved.

838 ~~(C) On or before August 1, 1988, and on the same date in each subsequent of each~~ year,
 839 the Commissioner shall collect taxes imposed pursuant to this Code section on
 840 behalf of counties and municipal corporations whose ordinances have been filed with
 841 the Commissioner. The premiums tax collected for each year shall be based upon gross
 842 direct premiums written during the preceding calendar year. Penalty and interest as
 843 prescribed in subsection (d) of Code Section 33-8-6 shall be imposed for late payment,
 844 underpayment, or nonpayment of such taxes;"

845 ~~"(5) On or before October 15, 1988, and on the same date in each subsequent of each~~ year,
 846 the Commissioner shall distribute the taxes imposed by counties and municipal
 847 corporations which are actually remitted to and collected by the Commissioner. On or
 848 before October 15, 1988, and on the same date in each subsequent of each year, the
 849 Commissioner shall distribute any delinquent taxes actually collected by the

850 Commissioner for a previous year, exclusive of any interest or penalty on such delinquent
851 taxes, which delinquent taxes have not previously been distributed."

852 **SECTION 1-45.**

853 Said title is further amended in Code Section 33-8-8.3, relating to funding of services, or
854 reduction of ad valorem taxes in unincorporated areas of counties, and powers and duties of
855 governing authority, by revising paragraph (2) of subsection (a) as follows:

856 "(2) Reducing ad valorem taxes of the inhabitants of the unincorporated areas of those
857 counties in which the governing authority of a county does not provide any of the
858 services enumerated in paragraph (1) of this subsection to inhabitants of the
859 unincorporated areas. In fixing the ad valorem tax millage rate for the year ~~1984 and any~~
860 ~~year thereafter~~, the governing authorities of such counties shall be authorized and directed
861 to reduce such ad valorem tax millage rate on taxable property within the unincorporated
862 areas of such counties to offset any of the proceeds derived from any tax provided for in
863 this chapter which cannot be expended pursuant to paragraph (1) of this subsection."

864 **SECTION 1-46.**

865 Said title is further amended in Code Section 33-9-3, relating to application of the chapter
866 relative to regulation of rates, underwriting rules, and related organizations, by revising
867 subsections (b) and (c) as follows:

868 "~~(b)(1)~~ This chapter shall apply to all insurers, including stock and mutual companies,
869 Lloyd's associations, and reciprocal and interinsurance exchanges, which under any laws
870 of this state write any of the kinds of insurance to which this chapter applies.

871 ~~(2) The provisions of this chapter regarding rates shall apply to any insurer, fraternal~~
872 ~~benefit society, health care plan, health maintenance organization, or preferred provider~~
873 ~~organization providing any accident or sickness insurance or health benefit plan issued,~~
874 ~~delivered, issued for delivery, or renewed in this state to the extent required by~~
875 ~~subsection (c) of this Code section.~~

876 ~~(c) Provisions of this chapter regarding rates shall apply only to a proposed rate for any~~
877 ~~insurance or health benefit plan:~~

878 ~~(1) Which alone or in combination with any previous rate change for such insurance or~~
879 ~~plan would result in a rate increase of:~~

880 ~~(A) Any amount, but no decrease shall be subject to such provisions; provided,~~
881 ~~however,~~

882 ~~(B) The provisions of this chapter shall not apply to accident and sickness insurance;~~

883 ~~or~~

884 (2) ~~Made within 36 months after any rate change described by paragraph (1) of this~~
 885 ~~subsection."~~

886 **SECTION 1-47.**

887 Said title is further amended by revising Code Section 33-9-8, relating to agreements to share
 888 high-risk applicants and approval of rates, as follows:

889 "33-9-8.

890 (a) Agreements shall be made among admitted property and casualty insurers with respect
 891 to the equitable apportionment among them of property and casualty insurance which may
 892 be afforded applicants who are in good faith entitled to but who are unable to procure such
 893 insurance through ordinary methods upon the determination by the Commissioner in
 894 writing that an agreement relative to a given kind or kinds of property and casualty
 895 insurance is necessary to protect the health, property, and welfare of the citizens of
 896 Georgia. All of the agreements shall be subject to the approval of the Commissioner and
 897 upon his or her approval shall have the effect of rules and regulations promulgated by the
 898 Commissioner.

899 (b) All of the agreements shall be submitted in writing to the Commissioner for his or her
 900 consideration and approval within the period of time specified by the Commissioner in his
 901 or her determination, as provided for in this Code section, together with such information
 902 as he or she may reasonably require. The approval of the agreements shall comply with
 903 the requirements of the rule-making process as set forth in Code Section 33-2-9, ~~as now or~~
 904 ~~hereafter amended~~. The Commissioner shall approve only such agreements as are found
 905 by him or her to contemplate the use of rates which meet the standards prescribed by this
 906 chapter and activities and practices that are not unfair, unreasonable, or otherwise
 907 inconsistent with this chapter.

908 (c) If, as provided in this Code section, the Commissioner determines that it is necessary
 909 to protect the health, property, and welfare of the citizens of this state, in addition to all
 910 other authority granted in this title, the Commissioner shall also have and may exercise the
 911 following authority:

912 (1) The Commissioner may require that any rates contemplated to be used under this
 913 Code section shall be approved by him or her prior to their use;

914 (2) The Commissioner may declare that any policies, contracts, or rates used pursuant
 915 to any agreement or plan established under this Code section shall be the exclusive
 916 policies, contracts, or rates authorized to be used in Georgia for the kind or kinds of
 917 insurance; and he or she may prohibit the use by any person of policies, contracts, or rates
 918 in this state which are different from those established in accordance with this Code
 919 section; and

920 (3) The Commissioner may amend or modify in whole or in part and may adopt any
921 agreement submitted to him or her in accordance with this Code section. If no agreement
922 is submitted within the time prescribed by the Commissioner or if after a hearing the
923 agreement submitted is unacceptable to the Commissioner, the Commissioner may on his
924 or her own motion promulgate and adopt a reasonable plan to implement this Code
925 section which plan shall become effective on a date not sooner than ten days as specified
926 by the Commissioner in his or her order.

927 (d) At any time after the agreements are in effect the Commissioner may review the
928 practices and activities of the adherents to such agreements and, if after a hearing upon not
929 less than ten days' notice to such adherents, he or she finds that any such practice or activity
930 is unfair or unreasonable, or is otherwise inconsistent with this chapter, he or she may issue
931 a written order to the parties of the agreement specifying in what respect the act or practice
932 is unfair or unreasonable or otherwise inconsistent with this chapter and requiring the
933 discontinuance of the activity or practice. For good cause, and after hearing upon not less
934 than ten days' notice to the adherents thereto, the Commissioner may revoke approval of
935 the agreement.

936 (e) Whenever the Commissioner determines that a lack of competition or a lack of
937 availability exists in this state in either property or casualty insurance, the Commissioner
938 is authorized to protect the health, property, and welfare of the citizens of this state by
939 exercising the following authority:

940 (1) The Commissioner shall approve all rates contemplated to be used under this Code
941 section prior to their use;

942 (2) The Commissioner shall approve any policies or contracts used pursuant to any
943 agreement or plan established under this Code section and such policies or contracts shall
944 be used exclusively in this state for those kinds of insurance. The use by any person of
945 any policies or contracts which are different from those established in accordance with
946 this Code section shall be prohibited; and

947 (3) The Commissioner may by order implement a plan or program to provide the
948 necessary insurance coverages to the citizens of this state by equitable apportionment
949 among all property and casualty insurers licensed to transact those kinds of insurance in
950 this state.

951 (f) The powers contained in this Code section are cumulative and shall be in addition to
952 all other powers of the Commissioner contained elsewhere in this title or under the laws
953 of this state."

954 **SECTION 1-48.**

955 Said title is further amended in Code Section 33-9-21, relating to maintenance and filing
 956 rates, rating plans, rating systems, or underwriting rules and examination of claim reserve
 957 practices by the Commissioner, by revising paragraph (2) of subsection (a) and paragraph (2)
 958 of subsection (b) as follows:

959 "(2) Shall require, ~~not later than July 30, 1990,~~ each domestic, foreign, and alien insurer,
 960 writing or authorized to write workers' compensation insurance in this state, to file such
 961 insurer's own individual rate filing for ~~premium~~ rates to be charged for workers'
 962 compensation insurance coverage written in this state. Such ~~premium~~ rates shall be
 963 developed and established based upon each individual insurer's experience in the State
 964 of Georgia to the extent actuarially credible. The experience filed shall include the loss
 965 ratios, reserves, reserve development information, expenses, including commissions paid
 966 and dividends paid, investment income, pure premium data adjusted for loss development
 967 and loss trending, profits, and all other data and information used by that insurer in
 968 formulating its workers' compensation ~~premium~~ rates which are used in this state and any
 969 other information or data required by the Commissioner. In establishing and maintaining
 970 loss reserves, no workers' compensation insurer shall be allowed to maintain any excess
 971 loss reserve for any claim or potential claim for more than 90 days after the amount of
 972 liability for such claim or potential claim has been established, whether by final
 973 judgment, by settlement agreement, or otherwise. This limitation on the maintenance of
 974 loss reserves shall be enforced through this Code section, as well as through Code Section
 975 33-9-23, relating to examination of admitted insurers, and any other appropriate
 976 enforcement procedures. The Commissioner is authorized to accept such rate
 977 classifications as are reasonable and necessary for compliance with this chapter. A rate
 978 filing required by this paragraph shall be updated by the insurer at least once every two
 979 years, ~~the initial two-year period to be calculated from July 30, 1990;~~ and"

980 "(2) For personal private passenger motor vehicle insurance other than that described in
 981 ~~paragraph (1) of subsection (b) of Code Section 33-9-21~~ this subsection, such rate, rating
 982 plan, rating system, or underwriting rule for all such personal private passenger motor
 983 vehicle insurance shall be effective upon filing and shall be implemented without
 984 approval of the Commissioner. This subsection shall apply to the entire personal private
 985 passenger motor vehicle insurance policy with limits above the mandatory minimum
 986 required by Code Section 33-34-4 and subsection (a) of Code Section 40-9-37 and shall
 987 apply to the entire personal private passenger motor vehicle policy with minimum limits
 988 if such policy has any additional nonmandatory coverage or coverages."

989 **SECTION 1-49.**

990 Said title is further amended by revising Code Section 33-9-21.1, relating to filing and
991 maintenance of information relating to certain casualty insurance, as follows:

992 "33-9-21.1.

993 ~~In order to facilitate the handling of form and rate filings of certain types of miscellaneous~~
994 ~~casualty insurance which prior to July 1, 1995, has been filed generally under paragraph~~
995 ~~(10) of Code Section 33-7-3, the~~ The following types of casualty insurance shall be filed
996 separately and data relative to such types of insurance shall be maintained separately:

997 (1) Nonrecording insurance or nonfiling insurance; and

998 (2) Vendors' single interest insurance."

999 **SECTION 1-50.**

1000 Said title is further amended in Code Section 33-9-23, relating to examination of admitted
1001 insurers and examination of insurers transacting workers' compensation insurance, by
1002 revising subsection (b) as follows:

1003 "(b) In addition to and apart from the examination required by subsection (a) of this Code
1004 section, the Commissioner may, at any reasonable time, examine or cause to be examined
1005 by some examiner duly authorized by him or her all insurers transacting workers'
1006 compensation insurance in this state. This examination will include a review of the loss
1007 ratios, reserves, reserve development information, expenses including commissions paid
1008 and dividends paid, investment income, pure premium data adjusted for loss development
1009 and loss trending, profits, and all other data and information used by that insurer in
1010 formulating its workers' compensation ~~premium~~ rates which are used in this state and any
1011 other information or data required by the Commissioner. Upon completion of this
1012 examination, a report in such form as the Commissioner shall prescribe shall be filed in his
1013 or her office."

1014 **SECTION 1-51.**

1015 Said title is further amended by revising Code Section 33-9-30, relating to suspension or
1016 revocation of license or certificate of authority for failure to comply with order of the
1017 Commissioner, as follows:

1018 "33-9-30.

1019 In addition to other penalties provided in this title, the Commissioner, by order pursuant
1020 to Code Section 33-9-29, may suspend or revoke, in whole or in part, the license of any
1021 rating organization or the certificate of authority of any insurer with respect to the class or
1022 classes of insurance specified in such order ~~which~~ if such entity fails to comply within the
1023 time limited by such order or any extension thereof ~~which~~ that the Commissioner may

1024 grant ~~with an order of the Commissioner lawfully made by him pursuant to Code Section~~
 1025 ~~33-9-29."~~

1026 **SECTION 1-52.**

1027 Said title is further amended by revising Code Section 33-9-36, relating to unauthorized
 1028 premiums and unlawful inducements, as follows:

1029 "33-9-36.

1030 (a) As used in this Code section, the term:

1031 (1) 'Gift certificate' shall have the same meaning as provided in Code Section 10-1-393.

1032 (2) 'Insurance' includes suretyship.

1033 (3) 'Policy' includes bond.

1034 (4) 'Store gift card' shall have the same meaning as provided in Code Section 10-1-393.

1035 (b) No broker or agent shall knowingly charge, demand, or receive a premium for any
 1036 policy of insurance except in accordance with this chapter.

1037 (c) No insurer or employee of such insurer and no broker or agent shall pay, allow, or give,
 1038 or offer to pay, allow, or give, directly or indirectly as an inducement to insurance or after
 1039 insurance has been effected, any rebate, discount, abatement, credit, or reduction of the
 1040 premium named in a policy of insurance, or any special favor or advantage in the dividends
 1041 or other benefits to accrue on such policy of insurance, or any valuable consideration or
 1042 inducement whatever, not specified in the policy of insurance, except to the extent provided
 1043 for in an applicable filing. No insured named in a policy of insurance nor any employee
 1044 of the insured shall knowingly receive or accept, directly or indirectly, any such rebate,
 1045 discount, abatement, credit, or reduction of premium, or any special favor or advantage or
 1046 valuable consideration or inducement.

1047 (d) Nothing in this Code section shall be construed as prohibiting the payment of
 1048 commissions or other compensation to duly licensed agents and brokers, nor as prohibiting
 1049 any insurer from allowing or returning to its participating policyholders, members, or
 1050 subscribers dividends, savings, or unabsorbed premium deposits.

1051 (e) Nothing in this Code section shall be construed as prohibiting the payment for food or
 1052 refreshments by an insurer or ~~an agent, broker, or employee of an insurer~~ employee of such
 1053 insurer or a broker or an agent for current or prospective clients during sales presentations
 1054 and seminars, provided that no insurance or annuity applications or contracts are offered
 1055 or accepted at such presentations or seminars.

1056 (f) Nothing in this Code section shall be construed as prohibiting ~~insurers or insurance~~
 1057 ~~producers~~ an insurer or employee of such insurer or a broker or an agent from advertising
 1058 or conducting promotional programs by insurers or insurance producers whereby prizes,
 1059 goods, wares, store gift cards, gift certificates, sporting event tickets, or merchandise, not

1060 exceeding \$100.00 in value per customer in the aggregate in any one calendar year, are
 1061 given to current or prospective customers; provided, however, that the giving of any item
 1062 or items of value under this subsection shall not be contingent on the sale or renewal of a
 1063 policy."

1064 **SECTION 1-53.**

1065 Said title is further amended in Code Section 33-9-42, relating to reduction in premiums for
 1066 motor vehicle liability, first-party medical, and collision coverages for certain named drivers,
 1067 by revising subparagraph (b)(3)(C) as follows:

1068 "(C) A defensive driving course of not less than six hours from a driver improvement
 1069 program which is administered by a nonprofit organization such as the ~~American~~
 1070 ~~Association of Retired People~~ AARP, the American Automobile Association, the
 1071 National Safety Council, or a comparable organization and which meets the rules and
 1072 regulations of the Department of Driver Services pursuant to subsection (g) of this Code
 1073 section; or"

1074 **SECTION 1-54.**

1075 Said title is further amended in Code Section 33-9-43, relating to reduction in premiums for
 1076 motor vehicle liability, first-party medical, and collision coverage for named drivers under
 1077 25 years of age, by revising subsection (a) as follows:

1078 "(a) For each personal or family-type policy of private passenger motor vehicle insurance
 1079 issued, delivered, issued for delivery, or renewed ~~on or after October 1, 1991~~, there shall
 1080 be offered by the insurer a reduction in the premium for motor vehicle liability, first-party
 1081 medical, and collision coverage for each named driver under 25 years of age, as listed on
 1082 the policy application or provided in information subsequent to such application, of each
 1083 motor vehicle covered by such policy, if that driver:

- 1084 (1) Is unmarried;
- 1085 (2) Is enrolled as a full-time student in:
- 1086 (A) High school;
- 1087 (B) Academic courses in a college or university; or
- 1088 (C) Vocational-technical school;
- 1089 (3) Is an honor student because the scholastic records for the immediately preceding
 1090 quarter, semester, or comparable segment show that such person:
- 1091 (A) Ranks scholastically in the upper 20 percent of the class;
- 1092 (B) Has a 'B' average or better;
- 1093 (C) Has a 3.0 average or better; or
- 1094 (D) Is on the 'Dean's List' or 'Honor Roll'; and

1095 (4) Is a driver whose use of the automobile is considered by the insurer in determining
1096 the applicable classification."

1097 **SECTION 1-55.**

1098 Said title is further amended by revising Code Section 33-9-44, relating to legislative intent,
1099 as follows:

1100 "33-9-44.

1101 It is specifically intended that the discounts provided in Code Sections 33-9-42 and 33-9-43
1102 shall be provided by the insurer to any person who qualifies for such discounts. ~~It is further~~
1103 ~~intended that any similar discounts granted to qualified persons under Chapter 34 of this~~
1104 ~~title as such chapter existed on September 30, 1991, shall not be discontinued nor~~
1105 ~~duplicated by the enactment of Code Sections 33-9-42 and 33-9-43 for policies in effect~~
1106 ~~on September 30, 1991."~~

1107 **SECTION 1-56.**

1108 Said title is further amended in Code Section 33-10-2, relating to assets considered in
1109 determining financial conditions of insurer – excluded assets, by revising paragraphs (3)
1110 and (4) as follows:

1111 "(3) Stock of such insurer, owned by ~~him~~ such insurer, or any equity in such stock or
1112 loans secured by such stock or any proportionate interest in such stock acquired or held
1113 through the ownership by such insurer of a controlling interest in another firm,
1114 corporation, or business unit;

1115 (4) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature, and
1116 supplies other than data processing and accounting system authorized under paragraph
1117 (3) of Code Section 33-10-1, except, in the case of title insurers, such materials and plants
1118 as the insurer is expressly authorized to invest in under Code Section 33-11-27 and
1119 except, in the case of any insurer, such personal property as the insurer is permitted to
1120 hold pursuant to Chapter 11 of this title or which is reasonably necessary for the
1121 maintenance and operation of real estate lawfully acquired and held by the insurer other
1122 than real estate used by ~~him~~ such insurer for home office, branch office, or similar
1123 purposes; and"

1124 **SECTION 1-57.**

1125 Said title is further amended by revising Code Section 33-10-3, relating to deduction of
1126 assets from liabilities and liabilities from assets generally, as follows:

1127 "33-10-3.
 1128 Assets may be allowable as deductions from corresponding liabilities, and liabilities may
 1129 be charged as deductions from assets, in accordance with the form of annual statement
 1130 applicable to such insurer as ~~prescribed~~ directed by the Commissioner or otherwise in his
 1131 or her discretion."

1132 **SECTION 1-58.**

1133 Said title is further amended in Code Section 33-10-10, relating to required reserves – title
 1134 insurance, by revising paragraph (1) as follows:

1135 "(1) Ten percent of the total amount of the risk premiums ~~hereafter~~ written in the
 1136 calendar year for title insurance contracts shall be assigned originally to the reserve; and"

1137 **SECTION 1-59.**

1138 Said title is further amended by revising Code Section 33-10-11, relating to requirement of
 1139 special reserve for certain bonds, as follows:

1140 "33-10-11.

1141 In lieu of the unearned premium reserve required on surety insurance under subsection (a)
 1142 of Code Section 33-10-6, the Commissioner may require any surety insurer or limited
 1143 surety insurer to set up and maintain a reserve on all bail bonds or other single premium
 1144 bonds without definite expiration data, furnished in judicial proceedings, equal to 25
 1145 percent of the total consideration charged for any bonds as are outstanding as of the date
 1146 of any then current financial statement of the insurer."

1147 **SECTION 1-60.**

1148 Said title is further amended in Code Section 33-10-13, relating to standard valuation, by
 1149 revising subsections (b) and (i) and subparagraph (p)(1)(A) as follows:

1150 "~~(b) For the purposes of this Code section, the~~ The following definitions shall apply on or
 1151 after the operative date of the valuation manual. For the purposes of this Code section, the
 1152 term:

1153 (1) ~~The term 'accident~~ 'Accident and health insurance' means contracts that incorporate
 1154 morbidity risk and provide protection against economic loss resulting from accident,
 1155 sickness, or medical conditions and as may be specified in the valuation manual.

1156 (2) ~~The term 'appointed~~ 'Appointed actuary' means a qualified actuary who is appointed
 1157 in accordance with the valuation manual to prepare the actuarial opinion required in
 1158 paragraph (2) of subsection (d) of this Code section.

1159 (3) ~~The term 'company'~~ 'Company' means an entity, which:

- 1160 (A) ~~Has~~ has written, issued, or reinsured life insurance contracts, accident and health
 1161 insurance contracts, or deposit-type contracts in this state and has at least one such
 1162 policy in force or on claim; or
- 1163 (B) ~~Has~~ has written, issued, or reinsured life insurance contracts, accident and health
 1164 insurance contracts, or deposit-type contracts in any state and is required to hold a
 1165 certificate of authority to write life insurance, accident and health insurance, or
 1166 deposit-type contracts in this state.
- 1167 (4) ~~The term 'deposit-type~~ Deposit-type contract' means contracts that do not incorporate
 1168 mortality or morbidity risks and as may be specified in the valuation manual.
- 1169 (5) ~~The term 'life~~ Life insurance' means contracts that incorporate mortality risk,
 1170 including annuity and pure endowment contracts, and as may be specified in the valuation
 1171 manual.
- 1172 (6) ~~The term 'NAIC'~~ means the National Association of Insurance Commissioners.
- 1173 (7) ~~The term 'policyholder~~ Policyholder behavior' means any action a policyholder,
 1174 contract holder, or any other person with the right to elect options, such as a certificate
 1175 holder, may take under a policy or contract subject to this Code section, including, but
 1176 not limited to, lapse, withdrawal, transfer, deposit, premium payment, loan, annuitization,
 1177 or benefit elections prescribed by the policy or contract but excluding events of mortality
 1178 or morbidity that result in benefits prescribed in their essential aspects by the terms of the
 1179 policy or contract.
- 1180 (8) ~~The term 'principle-based~~ Principle-based valuation' means a reserve valuation that
 1181 uses one or more methods or one or more assumptions determined by the insurer and is
 1182 required to comply with subsection (p) of this Code section as specified in the valuation
 1183 manual.
- 1184 (9) ~~The term 'qualified~~ Qualified actuary' means an individual who is qualified to sign
 1185 the applicable statement of actuarial opinion in accordance with the American Academy
 1186 of Actuaries qualification standards for actuaries signing such statements and who meets
 1187 the requirements specified in the valuation manual.
- 1188 (10) ~~The term 'tail~~ Tail risk' means a risk that occurs either where the frequency of low
 1189 probability events is higher than expected under a normal probability distribution or
 1190 where there are observed events of very significant size or magnitude.
- 1191 (11) ~~The term 'valuation~~ Valuation manual' means the manual of valuation instructions
 1192 adopted by the NAIC as specified in this Code section or as subsequently amended."
- 1193 "(i) In no event shall an insurer's aggregate reserve for all life insurance policies, excluding
 1194 disability and accidental death benefits issued on or after January 1, 1966, be less than the
 1195 aggregate reserves calculated in accordance with the methods set forth in subsections (g),
 1196 (h), (l), and (m) of this Code section and the mortality table or tables and rate or rates of

1197 interest used in calculating nonforfeiture benefits for the policies. In no event shall the
 1198 aggregate reserves for all policies, contracts, and benefits be less than the aggregate
 1199 reserves determined by the appointed actuary to be necessary to render the opinion required
 1200 by subsection (d) of ~~the~~ this Code section."

1201 "(A) Quantify the benefits and guarantees, and the funding, associated with the
 1202 contracts and their risks at a level of conservatism that reflects conditions that include
 1203 unfavorable events that have a reasonable probability of occurring during the lifetime
 1204 of the contracts. ~~For, and for~~ policies or contracts with significant tail risk, reflects
 1205 conditions appropriately adverse to quantify the tail risk;"

1206 **SECTION 1-61.**

1207 Said title is further amended by revising Code Section 33-10-17, relating to valuation of
 1208 reserves – purchase money mortgages, as follows:

1209 "33-10-17.

1210 ~~Purchase money mortgages~~ Mortgages on real property referred to in subsection (a) of
 1211 Code Section 33-10-16 shall be valued in an amount not exceeding the acquisition cost of
 1212 the real property covered thereby or 90 percent of the fair value of the real property,
 1213 whichever is less."

1214 **SECTION 1-62.**

1215 Said title is further amended in Code Section 33-13-1, relating to definitions, by revising
 1216 paragraph (4) as follows:

1217 "(4) 'Enterprise risk' means any activity, circumstance, event, or series of events
 1218 involving one or more affiliates of an insurer that, if not remedied promptly, is likely to
 1219 have a material adverse effect upon the financial condition or liquidity of the insurer or
 1220 its insurance holding company system as a whole, including, but not limited to, anything
 1221 that would cause the insurer's risk-based capital to fall into company action level as set
 1222 forth in Chapter 56 of this title or would cause the insurer to be in hazardous financial
 1223 condition based on the standards prescribed by ~~Chapter 120-2-54~~ of the Commissioner's
 1224 rules and regulations."

1225 **SECTION 1-63.**

1226 Reserved.

1227 **SECTION 1-64.**

1228 Said title is further amended in Code Section 33-13-3.1, relating to acquisition of insurer and
 1229 effect on competition, by revising paragraph (1) of subsection (c) as follows:

1230 "(1) The preacquisition notification shall be in such form and contain such information
 1231 as prescribed by the National Association of Insurance Commissioners and adopted by
 1232 regulation promulgated by the Commissioner or as otherwise prescribed by regulation
 1233 promulgated by the Commissioner relating to those markets which, under subparagraph
 1234 (b)(2)(D) of this Code section, cause the acquisition not to be exempted from the
 1235 provisions of this Code section. The Commissioner may require such additional material
 1236 and information as he or she deems necessary to determine whether the proposed
 1237 acquisition, if consummated, would violate the competitive standard of subsection (d) of
 1238 this Code section. The required information may include an opinion of an economist as
 1239 to the competitive impact of the acquisition in this state accompanied by a summary of
 1240 the education and experience of such person indicating his or her ability to render an
 1241 informed opinion; and"

1242 SECTION 1-65.

1243 Said title is further amended in Code Section 33-13-4, relating to registration of insurers
 1244 belonging to holding company systems, by revising subsections (b) and (l) as follows:

1245 "(b) **Contents of registration statement.** Every insurer subject to registration shall file
 1246 a registration statement with the Commissioner on a form and in a format prescribed by the
 1247 National Association of Insurance Commissioners and adopted by regulation promulgated
 1248 by the Commissioner or as otherwise prescribed by regulation promulgated by the
 1249 Commissioner, which statement shall contain current information about:

- 1250 (1) The capital structure, general financial condition, ownership, and management of the
 1251 insurer and any person controlling the insurer;
- 1252 (2) The identity of every member of the insurance holding company system;
- 1253 (3) The following agreements in force, relationships subsisting, and transactions
 1254 ~~currently~~ outstanding between such insurer and its affiliates:
- 1255 (A) Loans, other investments, or purchases, sales, or exchanges of the affiliates by the
 1256 insurer or of the insurer by its affiliates;
 - 1257 (B) Purchases, sales, or exchanges of assets;
 - 1258 (C) Transactions not in the ordinary course of business;
 - 1259 (D) Guarantees or undertakings for the benefit of an affiliate which result in an actual
 1260 contingent exposure of the insurer's assets to liability other than insurance contracts
 1261 entered into in the ordinary course of the insurer's business;
 - 1262 (E) All management and service contracts and all cost-sharing arrangements;
 - 1263 (F) Reinsurance agreements;
 - 1264 (G) Dividends and other distributions to shareholders; and
 - 1265 (H) Consolidated tax allocation agreements;

- 1266 (4) Any pledge of the insurer's stock, including stock of any subsidiary or controlling
 1267 affiliate, for a loan made to any member of the insurance holding company system;
- 1268 (5) If requested by the Commissioner, financial statements of or within an insurance
 1269 holding company system, including all affiliates. Financial statements may include, but
 1270 are not limited to, annual audited financial statements filed with the federal Securities and
 1271 Exchange Commission pursuant to the federal Securities Act of 1933, as amended, or the
 1272 Securities Exchange Act of 1934, as amended. An insurer required to file financial
 1273 statements pursuant to this paragraph may satisfy the request by providing the
 1274 Commissioner with the most recently filed parent corporation financial statements ~~that~~
 1275 ~~have been~~ filed with the Securities and Exchange Commission;
- 1276 (6) Other matters concerning transactions between registered insurers and any affiliates
 1277 as may be included from time to time in any registration forms adopted or approved by
 1278 the Commissioner;
- 1279 (7) Statements that the insurer's board of directors is responsible for and oversees
 1280 corporate governance and internal controls and that the insurer's officers or senior
 1281 management have approved, implemented, and continue to maintain and monitor
 1282 corporate governance and internal control procedures; and
- 1283 (8) Any other information required by the Commissioner by rule or regulation."
- 1284 "(l) **Enterprise risk filing.** The ultimate controlling person of every insurer subject to
 1285 registration shall also file an annual enterprise risk report. The report shall, to the best of
 1286 the ultimate controlling person's knowledge and belief, identify the material risks within
 1287 the insurance holding company system that could pose enterprise risk to the insurer. The
 1288 report shall be filed with the lead state commissioner of the insurance holding system as
 1289 determined by the procedures within the Financial Analysis Handbook adopted by the
 1290 National Association of Insurance Commissioners and adopted by regulation promulgated
 1291 by the Commissioner or as otherwise prescribed by regulation promulgated by the
 1292 Commissioner."

1293 SECTION 1-66.

1294 Said title is further amended in Code Section 33-13-7, relating to power of Commissioner
 1295 to participate in supervisory college and payment of expenses associated with participation
 1296 in supervisory college, by revising subsection (a) as follows:

1297 "(a) **Power of Commissioner.** With respect to any insurer registered under Code Section
 1298 33-13-4, and in accordance with subsection (c) of this Code section, the Commissioner
 1299 shall also have the power to participate in a supervisory college for any domestic insurer
 1300 that is part of an insurance holding company system with international operations in order
 1301 to determine compliance by the insurer with this title. For purposes of this chapter,

1302 'supervisory colleges' means a forum for cooperation and communication between the
 1303 involved supervisors established for the fundamental purpose of facilitating the
 1304 effectiveness of the supervision of entities belonging to an insurance group. The powers
 1305 of the Commissioner with respect to supervisory colleges include, but are not limited to,
 1306 the following:

- 1307 (1) Initiating the establishment of a supervisory college;
 1308 (2) Clarifying the membership and participation of other supervisors in the supervisory
 1309 college;
 1310 (3) Clarifying the functions of the supervisory college and the role of other regulators,
 1311 including the establishment of a group-wide supervisor;
 1312 (4) Coordinating the ongoing activities of the supervisory college, including planning
 1313 meetings, supervisory activities, and processes for information sharing; and
 1314 (5) Establishing a crisis management plan."

1315 **SECTION 1-67.**

1316 Said title is further amended in Code Section 33-13-32, relating to definitions, by revising
 1317 paragraph (4) as follows:

1318 "(4) 'ORSA Guidance Manual' means ~~the current version of~~ the Own Risk and Solvency
 1319 Assessment Guidance Manual developed and adopted by the National Association of
 1320 Insurance Commissioners and as amended from time to time. A change in the ORSA
 1321 Guidance Manual shall be effective on January 1 following the calendar year in which
 1322 the changes have been adopted by the National Association of Insurance Commissioners."

1323 **SECTION 1-68.**

1324 Said title is further amended in Code Section 33-13-37, relating to preparation of report and
 1325 review and use, by revising subsection (b) as follows:

1326 "(b) The review of the ORSA Summary Report; and any additional requests for
 1327 information; shall be made using similar procedures ~~currently~~ used in the analysis and
 1328 examination of multistate or global insurers and insurance groups."

1329 **SECTION 1-69.**

1330 Said title is further amended in Code Section 33-13-38, relating to confidentiality and
 1331 protection, by revising paragraphs (1), (2), and (3) of subsection (c) as follows:

1332 "(1) May upon request share documents, materials, or other ORSA related information,
 1333 including the confidential and privileged documents, materials, or information subject to
 1334 subsection (a) of this Code section, including proprietary and trade secret documents and
 1335 materials with other state, federal, and international financial regulatory agencies,

1336 including members of any supervisory college as ~~defined~~ described in Code Section
 1337 33-13-7, with the National Association of Insurance Commissioners and with any
 1338 third-party consultants designated by the Commissioner, provided that the recipient
 1339 agrees in writing to maintain the confidentiality and privileged status of the ORSA related
 1340 documents, materials, or other information and has verified in writing the legal authority
 1341 to maintain confidentiality;

1342 (2) May receive documents, materials, or other ORSA related information, including
 1343 otherwise confidential and privileged documents, materials, or information, including
 1344 proprietary and trade secret information or documents, from regulatory officials of other
 1345 foreign or domestic jurisdictions, including members of any supervisory college as
 1346 ~~defined~~ described in Code Section 33-13-7, and from the National Association of
 1347 Insurance Commissioners, and shall maintain as confidential or privileged any
 1348 documents, materials, or information received with notice or the understanding that ~~it is~~
 1349 such documents, materials, or information are confidential or privileged under the laws
 1350 of the jurisdiction that is the source of ~~the document, material,~~ such documents, materials,
 1351 or information; and

1352 (3) Shall enter into a written agreement with the National Association of Insurance
 1353 Commissioners or a third-party consultant governing sharing and use of information
 1354 provided pursuant to this article, consistent with this subsection that shall:

1355 (A) Specify procedures and protocols regarding the confidentiality and security of
 1356 information shared with the National Association of Insurance Commissioners or a
 1357 third-party consultant pursuant to this article, including procedures and protocols for
 1358 sharing by the National Association of Insurance Commissioners with other state
 1359 regulators from states in which the insurance group has domiciled insurers. The
 1360 agreement shall provide that the recipient agrees in writing to maintain the
 1361 confidentiality and privileged status of the ORSA related documents, materials, or other
 1362 information and has verified in writing the legal authority to maintain confidentiality;

1363 (B) Specify that ownership of information shared with the National Association of
 1364 Insurance Commissioners or a third-party consultant pursuant to this article remains
 1365 with the Commissioner and that the use of information by the National Association of
 1366 Insurance ~~Commissioners's~~ Commissioners or a third-party ~~consultant's use of the~~
 1367 ~~information~~ consultant is subject to the direction of the Commissioner;

1368 (C) Prohibit the National Association of Insurance Commissioners or third-party
 1369 consultant from storing the information shared pursuant to this article in a permanent
 1370 data base after the underlying analysis is completed;

1371 (D) Require prompt notice to be given to an insurer whose confidential information in
 1372 the possession of the National Association of Insurance Commissioners or a third-party

1373 consultant pursuant to this article is subject to a request or subpoena to the National
 1374 Association of Insurance Commissioners or a third-party consultant for disclosure or
 1375 production;

1376 (E) Require the National Association of Insurance Commissioners or a third-party
 1377 consultant to consent to intervention by an insurer in any judicial or administrative
 1378 action in which the National Association of Insurance Commissioners or a third-party
 1379 consultant may be required to disclose confidential information about the insurer shared
 1380 with the National Association of Insurance Commissioners or a third-party consultant
 1381 pursuant to this article; and

1382 (F) In the case of an agreement involving a third-party consultant, provide for the
 1383 insurer's written consent."

1384 **SECTION 1-70.**

1385 Said title is further amended by repealing Code Section 33-13-40, relating to severability,
 1386 and designating said Code section as reserved.

1387 **SECTION 1-71.**

1388 Said title is further amended in Code Section 33-14-63, relating to filing of surety bond or
 1389 deposit by incorporators of proposed insurer, conditions of bond or deposit, and release and
 1390 discharge, by revising paragraph (3) of subsection (a) as follows:

1391 "(3) For payment of costs incurred by the state in the event of any legal proceedings for
 1392 liquidation or dissolution of the ~~corporations~~ corporation."

1393 **SECTION 1-72.**

1394 Said title is further amended in Code Section 33-14-107, relating to assets, by revising
 1395 subsection (b) as follows:

1396 "(b) All other assets shall ~~be nonadmitted~~ not be admitted assets."

1397 **SECTION 1-73.**

1398 Said title is further amended by revising Code Section 33-14-108, relating to applicability
 1399 of certain Code provisions, as follows:

1400 "33-14-108.

1401 The following provisions of ~~the Code do not~~ this title shall not apply to a limited purpose
 1402 subsidiary organized under this article:

1403 (1) Code Section 33-3-6;

1404 (2) Code Section 33-3-7;

1405 (3) Code Section 33-3-8;

- 1406 (4) Code Section 33-7-14;
 1407 (5) Article 2 of Chapter 11 ~~of this title~~;
 1408 (6) Code Section 33-13-4;
 1409 (7) Code Section 33-13-5;
 1410 (8) Code Section 33-14-40; and
 1411 (9) Chapter 56 ~~of this title~~."

1412 **SECTION 1-74.**

1413 Said title is further amended in Code Section 33-15-64, relating to provisions on control of
 1414 exercise of rights incident to certificate, printing, and notice and consent requirements, by
 1415 revising subsection (c) as follows:

1416 "(c) The notice as required in subsection ~~(a)~~ (b) of this Code section shall be given 180
 1417 days prior to the date the member will attain the designated age. The notice shall be
 1418 delivered in person or given by depositing the notice in the United States mail to be
 1419 dispatched by at least first-class mail to the last addresses of record of the original applicant
 1420 and the named member and receiving the receipt provided by the United States Postal
 1421 Service or such other evidence as prescribed or accepted by the United States Postal
 1422 Service."

1423 **SECTION 1-75.**

1424 Said title is further amended by revising Code Section 33-15-102, relating to renewal of
 1425 licenses, as follows:

1426 "33-15-102.
 1427 ~~Societies which are authorized on January 1, 1994, to transact business in this state and all~~
 1428 ~~societies licensed after such date but before June 30, 1994, may continue such business~~
 1429 ~~until June 30, 1994.~~ The authority of ~~such societies and~~ all societies licensed may
 1430 thereafter be renewed annually but in all cases to terminate on the succeeding June 30.
 1431 However, a license so issued shall continue in full force and effect until the new license is
 1432 issued or specifically refused. For each such license or renewal the society shall pay the
 1433 Commissioner a fee as specified in Code Section 33-8-1. A duly certified copy or
 1434 duplicate of such license shall be prima-facie evidence that the licensee is a fraternal
 1435 benefit society within the meaning of this chapter."

1436 **SECTION 1-76.**

1437 Said title is further amended by revising Code Section 33-15-104, relating to licensing of
 1438 foreign or alien societies, as follows:

1439 "33-15-104.

1440 (a) No foreign or alien society shall transact business in this state without a license issued
 1441 by the Commissioner. Any such society desiring admission to this state shall comply
 1442 substantially with the requirements and limitations of this chapter applicable to domestic
 1443 societies. Any such society may be licensed to transact business in this state upon a
 1444 showing that its assets are invested in accordance with the provisions of this chapter and
 1445 upon filing with the Commissioner:

- 1446 (1) A duly certified copy of its ~~charter~~ articles of incorporation;
- 1447 (2) A copy of its bylaws, certified by its secretary or corresponding officer;
- 1448 (3) A power of attorney to the Commissioner as prescribed in Code Section 33-15-120;
- 1449 (4) A statement of its business under oath of its president and secretary or corresponding
 1450 officers in a form prescribed by the Commissioner, duly verified by an examination made
 1451 by the ~~supervising~~ supervisory insurance official of its home state or other state, territory,
 1452 province, or country, satisfactory to the Commissioner of this state;
- 1453 (5) Certification from the proper official of its home state, territory, province, or country
 1454 that the society is legally incorporated and licensed to transact business therein;
- 1455 (6) Copies of its certificate forms; and
- 1456 (7) Such other information as the Commissioner may deem necessary.

1457 (b) A society domiciled in any other state, territory, province, or country shall comply
 1458 fully with this chapter and agree to be treated as a domestic society unless:

- 1459 (1) The state, territory, province, or country of domicile is accredited under the National
 1460 Association of Insurance Commissioners Financial Regulation Standards and
 1461 Accreditation Program. ~~This paragraph shall apply on and after January 1, 1994;~~ and
- 1462 (2) The state, territory, province, or country of domicile has a statute or regulation
 1463 governing fraternal benefit societies which is substantially similar to this chapter."

1464 **SECTION 1-77.**

1465 Said title is further amended in Code Section 33-16-4, relating to issuance of certificate of
 1466 authority, qualifications, and proposed changes to plan of operation, by revising subsections
 1467 (a) and (b) as follows:

1468 "(a) No person shall transact or attempt to transact business as a farmers' mutual fire
 1469 insurance company unless so authorized by a ~~currently~~ an effective certificate of authority
 1470 issued by the Commissioner.

1471 (b) The Commissioner shall not issue or permit to exist any certificate of authority as to
 1472 any insurer not ~~currently~~ qualified for such certificate unless it is shown to the satisfaction
 1473 of the Commissioner that:

- 1474 (1) The farmers' mutual fire insurance company maintains the minimum surplus required
 1475 by subsection (a) of Code Section 33-16-13;
- 1476 (2) The farmers' mutual fire insurance company maintains a security deposit as required
 1477 by subsection (c) of Code Section 33-16-13;
- 1478 (3) The farmers' mutual fire insurance company has submitted an acceptable business
 1479 plan to the Commissioner that includes, but is not limited to, two-year financial
 1480 projections and supporting assumptions reflecting expected premiums and losses,
 1481 counties where the farmers' mutual fire insurance company intends to insure property,
 1482 and the contingent liability, if any, of its members; and
- 1483 (4) It must otherwise be in compliance with the requirements of this chapter."

1484 **SECTION 1-78.**

1485 Said title is further amended by revising Code Section 33-16-6, relating to board of directors
 1486 generally, as follows:

1487 "33-16-6.

1488 In companies organized under this chapter, the number of directors shall be not less than
 1489 three. A majority of the board of directors shall be a quorum for the transaction of
 1490 business. No person shall be or act as a director of the insurer who does not have ~~currently~~
 1491 ~~effective~~ insurance in force in the insurer."

1492 **SECTION 1-79.**

1493 Said title is further amended in Code Section 33-17-2, relating to applicability of chapter, by
 1494 revising subsection (b) as follows:

1495 "(b) ~~Existing authorized~~ Authorized reciprocal insurers shall ~~after January 1, 1961,~~ comply
 1496 with this chapter and shall make any amendments to their subscribers' agreement, power
 1497 of attorney, policies, and other documents and accounts and perform any other acts as may
 1498 be required for ~~that~~ such compliance."

1499 **SECTION 1-80.**

1500 Said title is further amended by revising Code Section 33-17-8, relating to filing of bond by
 1501 attorney for insurer, amount of bond, and cancellation of bond, as follows:

1502 "(a) Concurrently with the filing of the declaration provided for in Code Section 33-17-6,
 1503 the attorney of a domestic reciprocal insurer shall file with the Commissioner a bond in
 1504 favor of the Commissioner for the benefit of all persons damaged as a result of breach by
 1505 the attorney of the conditions of his or her bond as set forth in subsection (b) of this Code
 1506 section. The bond shall be executed by the attorney and by an authorized corporate surety
 1507 and shall be subject to the Commissioner's approval.

1508 (b) The bond shall be in the penal sum of \$25,000.00, aggregate in form, conditioned that
 1509 the attorney will faithfully account for all moneys and other property of the insurer coming
 1510 into his or her hands and that he or she will not withdraw or appropriate to his or her own
 1511 use from the funds of the insurer any moneys or property to which he or she is not entitled
 1512 under the power of attorney.

1513 (c) The bond shall provide that it is not subject to cancellation unless 30 days' advance
 1514 notice in writing of cancellation is given to both the attorney and the Commissioner."

1515 **SECTION 1-81.**

1516 Said title is further amended in Code section 33-17-12, relating to effect of discharge of
 1517 duties by attorney of foreign or alien insurer and office of attorney, by revising subsection
 1518 (a) as follows:

1519 "(a) The attorney of a foreign or alien reciprocal insurer, which insurer is duly authorized
 1520 to transact insurance in this state, shall not, by virtue of discharge of his or her duties as
 1521 such attorney with respect to the insurer's transactions in this state, be thereby deemed to
 1522 be doing business in this state within the meaning of any laws of this state applying to
 1523 foreign firms or corporations."

1524 **SECTION 1-82.**

1525 Said title is further amended in Code Section 33-17-13, relating to designation by insurer of
 1526 person to acknowledge or accept service of process, manner of service of process, and effect
 1527 of judgment based upon process served in manner prescribed, by revising subsection (b) as
 1528 follows:

1529 "(b) Legal process shall be served upon the reciprocal insurer by serving the insurer's
 1530 attorney at his or her principal office in this state or by serving the Commissioner as the
 1531 insurer's agent."

1532 **SECTION 1-83.**

1533 Said title is further amended by revising Code Section 33-17-23, relating to limitation period
 1534 for assessments, as follows:

1535 "33-17-23.

1536 Every subscriber of a domestic reciprocal insurer having contingent liability shall be liable
 1537 for and shall pay his share of any assessment, as computed and limited in accordance with
 1538 this chapter, if:

1539 (1) While his or her policy is in force or within one year after its termination, he or she
 1540 is notified by either the attorney or the Commissioner of his or her intentions to levy the
 1541 assessment; or

1542 (2) If an order to show cause why the receiver, conservator, rehabilitator, or liquidator
 1543 of the insurer should not be appointed is issued while his or her policy is in force or
 1544 within one year after its termination."

1545 **SECTION 1-84.**

1546 Said title is further amended by revising Code Section 33-17-25, relating to insufficient
 1547 assets to discharge liabilities and to maintain required surplus, as follows:

1548 "33-17-25.

1549 (a) If the assets of a domestic reciprocal insurer are at any time insufficient to discharge
 1550 its liabilities, other than any liability on account of funds contributed by the attorney or
 1551 others, and to maintain the required surplus, its attorney shall immediately make up the
 1552 deficiency or levy an assessment upon the subscribers for the amount needed to make up
 1553 the deficiency, subject to the limitations set forth in the power of attorney or policy.

1554 (b) If the attorney fails to make up the deficiency or to make the assessment within 30 days
 1555 after the Commissioner orders him or her to do so or if the deficiency is not fully made up
 1556 within 60 days after the date the assessment was made, the insurer shall be deemed
 1557 insolvent and shall be proceeded against as authorized by this title.

1558 (c) If liquidation of an insurer is ordered, an assessment shall be levied upon the
 1559 subscribers for an amount, subject to limits as provided by this chapter, as the
 1560 Commissioner determines to be necessary to discharge all liabilities of the insurer,
 1561 exclusive of any funds contributed by the attorney or other persons but including the
 1562 reasonable costs of the liquidation."

1563 **SECTION 1-85.**

1564 Said title is further amended in Code Section 33-20-3, relating to definitions, by revising
 1565 paragraphs (1) and (3) as follows:

1566 "(1) 'Beneficiary' or 'covered dependent' means a person designated in the subscription
 1567 certificate or application therefor of a subscriber as entitled to health care service with
 1568 respect to whom appropriate ~~periodical~~ periodic payments are made, all subject to
 1569 acceptance by the health care corporation."

1570 "(3) 'Health care plan' means a plan or arrangement under which health care services are
 1571 or may be rendered to a subscriber or a covered dependent or other beneficiary at the
 1572 expense of a health care corporation in consideration of ~~periodical~~ periodic payments
 1573 made by the subscriber or another in his or her behalf."

SECTION 1-86.

1574
 1575 Said title is further amended by revising Code Section 33-20-28, relating to termination of
 1576 organizers, solicitors, or agents engaging in unfair or deceptive practice, as follows:

1577 "33-20-28.

1578 Whenever the Commissioner finds after investigation that an organizer, ~~solicitor, or agent,~~
 1579 or solicitor of a health care corporation has unfairly or improperly solicited subscription
 1580 certificates by misrepresenting the terms of the certificates or has engaged in any other
 1581 unfair or deceptive practice, or for any reason is incompetent to serve as an organizer,
 1582 agent, or solicitor, or that his or her services are not, in fact, needed, he or she shall order
 1583 such corporation to dispense with the services and the organizer, ~~solicitor, or agent, or~~
 1584 solicitor of the corporation. The ~~corporations~~ corporation shall be subject to the fines,
 1585 penalties, and provisions of Chapter 6 of this title and Code Section 33-2-24 that are
 1586 applicable to life insurers and their agents and that are not inconsistent with this chapter."

SECTION 1-87.

1587
 1588 Said title is further amended in Code Section 33-20-34, relating to conversion of nonprofit
 1589 health care corporation, requirements and procedures, and rules and regulations, by revising
 1590 paragraph (1) of subsection (a) as follows:

1591 "(a)(1) Any health care corporation which is governed generally by Chapter 3 of Title
 1592 14, the 'Georgia Nonprofit Corporation Code,' and authorized under this chapter may
 1593 merge with, or amend its articles of incorporation to become, a corporation governed by
 1594 Chapter 2 of Title 14, the 'Georgia Business Corporation Code,' provided a detailed,
 1595 written plan is submitted to the Commissioner for such conversion, written notice of such
 1596 submission is given to the Attorney General, and, after a public hearing thereon, such
 1597 plan is approved by the Commissioner after being found to be in the best interest of the
 1598 company, its policyholders, and the general public."

SECTION 1-88.

1599
 1600 Said title is further amended by revising Code Section 33-20A-3, relating to definitions, as
 1601 follows:

1602 "33-20A-3.

1603 As used in this article, the term:

1604 ~~(1) 'Commissioner' means the Commissioner of Insurance.~~

1605 ~~(2)~~(1) 'Emergency services' or 'emergency care' means those health care services that are
 1606 provided for a condition of recent onset and sufficient severity, including, but not limited
 1607 to, severe pain, that would lead a prudent layperson, possessing an average knowledge

1608 of medicine and health, to believe that his or her condition, sickness, or injury is of such
 1609 a nature that failure to obtain immediate medical care could result in:

1610 (A) Placing the patient's health in serious jeopardy;

1611 (B) Serious impairment to bodily functions; or

1612 (C) Serious dysfunction of any bodily organ or part.

1613 ~~(3)~~(2) 'Enrollee' means an individual who has elected to contract for or participate in a
 1614 managed care plan for that individual or for that individual and that individual's eligible
 1615 dependents.

1616 ~~(4)~~(3) 'Facility' means a hospital, ambulatory surgical treatment center, birthing center,
 1617 diagnostic and treatment center, hospice, or similar institution for examination, diagnosis,
 1618 treatment, surgery, or maternity care but does not include physicians' or dentists' private
 1619 offices and treatment rooms in which such physicians or dentists primarily see, consult
 1620 with, and treat patients.

1621 ~~(5)~~(4) 'Health benefit plan' has the same meaning as provided in Code Section
 1622 33-24-59.5.

1623 ~~(6)~~(5) 'Health care provider' or 'provider' means any physician, dentist, podiatrist,
 1624 pharmacist, optometrist, psychologist, clinical social worker, advanced practice nurse,
 1625 registered optician, licensed professional counselor, physical therapist, marriage and
 1626 family therapist, chiropractor, athletic trainer qualified pursuant to Code Section 43-5-8,
 1627 occupational therapist, speech language pathologist, audiologist, dietitian, or physician
 1628 assistant.

1629 ~~(7)~~(6) 'Home health care provider' means any provider or agency that provides health
 1630 care services in a patient's home including the supply of durable medical equipment for
 1631 use in a patient's home.

1632 ~~(8)~~(7) 'Limited utilization incentive plan' means any compensation arrangement between
 1633 the plan and a health care provider or provider group that has the effect of reducing or
 1634 limiting services to patients.

1635 ~~(9)~~(8) 'Managed care contractor' means a person who:

1636 (A) Establishes, operates, or maintains a network of participating providers;

1637 (B) Conducts or arranges for utilization review activities; and

1638 (C) Contracts with an insurance company, a hospital or medical service plan, an
 1639 employer, an employee organization, or any other entity providing coverage for health
 1640 care services to operate a managed care plan.

1641 ~~(10)~~(9) 'Managed care entity' includes an insurance company, hospital or medical service
 1642 plan, hospital, health care provider network, physician hospital organization, health care
 1643 provider, health maintenance organization, health care corporation, employer or
 1644 employee organization, or managed care contractor that offers a managed care plan.

1645 ~~(11)~~(10) 'Managed care plan' means a major medical, hospitalization, or dental plan that
 1646 provides for the financing and delivery of health care services to persons enrolled in such
 1647 plan through:

- 1648 (A) Arrangements with selected providers to furnish health care services;
- 1649 (B) Explicit standards for the selection of participating providers; and
- 1650 (C) Cost savings for persons enrolled in the plan to use the participating providers and
 1651 procedures provided for by the plan; provided, however, that the term 'managed care
 1652 plan' does not apply to Chapter 9 of Title 34, relating to workers' compensation.

1653 ~~(12)~~(11) 'Nonurgent procedure' means any nonemergency or elective care that can be
 1654 scheduled at least 24 hours prior to the service without posing a significant threat to the
 1655 patient's health or well-being.

1656 ~~(13)~~(12) 'Out of network' or 'point of service' refers to health care items or services
 1657 provided to an enrollee by providers who do not belong to the provider network in the
 1658 managed care plan.

1659 ~~(14)~~(13) 'Patient' means a person who seeks or receives health care services under a
 1660 managed care plan.

1661 ~~(15)~~(14) 'Precertification' or 'preauthorization' means any written or oral determination
 1662 made at any time by an insurer or any agent thereof that an enrollee's receipt of health
 1663 care services is a covered benefit under the applicable plan and that any requirement of
 1664 medical necessity or other requirements imposed by such plan as prerequisites for
 1665 payment for such services have been satisfied. 'Agent' as used in this paragraph shall not
 1666 include an agent or agency as defined in Code Section 33-23-1.

1667 ~~(16)~~(15) 'Qualified managed care plan' means a managed care plan that the
 1668 Commissioner certifies as meeting the requirements of this article.

1669 ~~(17)~~(16) 'Verification of benefits' means any written or oral determination by an insurer
 1670 or agent thereof of whether given health care services are a covered benefit under the
 1671 enrollee's health benefit plan without a determination of precertification or
 1672 preauthorization as to such services. 'Agent' as used in this paragraph shall not include
 1673 an agent or agency as defined in Code Section 33-23-1."

1674 **SECTION 1-89.**

1675 Said title is further amended in Code Section 33-20A-5, relating to standards for certification,
 1676 by revising subdivision (3)(B)(i)(II) as follows:

1677 "(II) Provides for the establishment of written protocols for utilization review,
 1678 based on ~~current~~ standards of the relevant health care profession;"

SECTION 1-90.

1679
 1680 Said title is further amended by revising Code Section 33-20A-60, relating to definitions, as
 1681 follows:

1682 "33-20A-60.

1683 As used in this article, the term:

1684 (1) 'Agent' ~~as used in this article~~ shall not include an agent or agency as defined in Code
 1685 Section 33-23-1.

1686 (2) 'Carrier' means an accident and sickness insurer, fraternal benefit society, ~~hospital~~
 1687 ~~service corporation, medical service corporation,~~ health care corporation, health
 1688 maintenance organization, provider sponsored health care corporation, or any similar
 1689 entity and any self-insured health benefit plan not subject to the exclusive jurisdiction of
 1690 the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. Section 1001,
 1691 et seq., which entity provides for the financing or delivery of health care services through
 1692 a health benefit plan, or the plan administrator of any health benefit plan established
 1693 pursuant to Article 1 of Chapter 18 of Title 45.

1694 (3) 'Claimant' means any provider, facility, or individual making a claim under a health
 1695 benefit plan on behalf of an enrollee.

1696 ~~(4) 'Commissioner' means the Commissioner of Insurance.~~

1697 ~~(5)~~(4) 'Enrollee' has the same meaning as provided in Code Section 33-20A-3.

1698 ~~(6)~~(5) 'Health benefit plan' has the same meaning as provided in Code Section
 1699 33-24-59.5.

1700 ~~(7)~~(6) 'Physician contract' means any contract between a physician and a carrier or a
 1701 carrier's network, physician panel, intermediary, or representative providing the terms
 1702 under which the physician agrees to provide health care services to an enrollee pursuant
 1703 to a health benefit plan.

1704 ~~(8)~~(7) 'Postpayment audit' means an investigation by a health benefit plan, carrier,
 1705 insurer, or panel, or agent thereof, of whether a claim was properly paid to a claimant.

1706 ~~(9)~~(8) 'Retroactive denial of a previously paid claim' or 'retroactive denial of payment'
 1707 means any attempt by a carrier retroactively to collect payments already made to a
 1708 claimant with respect to a claim, or any portion thereof, by requiring repayment of such
 1709 payments, by reducing other payments ~~currently~~ owed to the claimant, by withholding
 1710 or setting off against future payments, or in any other manner reducing or affecting the
 1711 future claim payments to the claimant."

SECTION 1-91.

1712
 1713 Said title is further amended in Code Section 22-20B-2, relating to definitions, by revising
 1714 paragraph (6) as follows:

1715 "(6) 'Hospital' means any building or facility licensed by the department of community
 1716 health as a hospital under this chapter which:
 1717 (A) Operates no more than 100 beds;
 1718 (B) Provides 24 hour emergency care as well as a range of health care services
 1719 sufficient to support the practice of a primary care physician; and
 1720 (C) For at least one of the immediately preceding two fiscal years, derived at least 40
 1721 percent of its patient revenues from medicare, Medicaid, or any combination of
 1722 medicare and Medicaid."

1723 **SECTION 1-92.**

1724 Said title is further amended by revising Code Section 33-29A-31, relating to individual
 1725 accident and sickness insurance policy definitions, as follows:

1726 "33-29A-31.

1727 For purposes of this article, the term 'individual accident and sickness insurance policy'
 1728 means any policy insuring against loss resulting from sickness or from bodily injury or
 1729 death by accident, or both, or any contract to furnish ambulance service in the future but
 1730 does not include limited benefit insurance policies exempted from the definition of the term
 1731 'health benefit policy' in ~~paragraph (1.1)~~ of Code Section 33-1-2. The term 'individual
 1732 accident and sickness insurance policy' shall also include comprehensive major medical
 1733 coverage for medical and surgical benefits, and also includes ~~High Deductible Health~~
 1734 ~~Plans'~~ high deductible health plans sold or maintained under the applicable provisions of
 1735 Section 223 of the Internal Revenue Code."

1736 **SECTION 1-93.**

1737 Said title is further amended by replacing "Insurance Department" with "Department of
 1738 Insurance" wherever the former term occurs in:

- 1739 (1) Code Section 33-13-1, relating to definitions;
 1740 (2) Code Section 33-13-38, relating to confidentiality and protection;
 1741 (3) Code Section 33-21-17, relating to examinations of organizations and providers, reports
 1742 of examinations, and payment of expenses of examinations;
 1743 (4) Code Section 33-23-12, relating to limited licenses;
 1744 (5) Code Section 33-24-66, relating to evidence, testimony, and information necessary to
 1745 prepare report under Code Section 33-24-63, and time period for issuing of reports on bill;
 1746 (6) Code Section 33-25-14, relating to unclaimed life insurance benefits, purpose,
 1747 definitions, and insurer conduct;
 1748 (7) Code Section 33-29-19, relating to rate modification on individual accident and sickness
 1749 policies providing for optional loss ratio guarantee;

- 1750 (8) Code Section 33-37-10, relating to confidentiality of proceedings;
 1751 (9) Code Section 33-37-13, relating to authority of rehabilitator, additional remedies, and
 1752 rehabilitation plan;
 1753 (10) Code Section 33-37-20, relating to powers of liquidator;
 1754 (11) Code Section 33-52-3, relating to notice of transfer, contents and form of notice, and
 1755 prior approval of Commissioner; and
 1756 (12) Code Section 33-55-2, relating to "material" acquisition or disposition defined, scope
 1757 of reporting requirement, and information to be included in report.

1758 **SECTION 1-94.**

1759 Chapter 9 of Title 9 of the Official Code of Georgia Annotated, relating to civil practice
 1760 arbitration, is amended in Code Section 9-9-2, relating to applicability and exclusive method,
 1761 by revising paragraph (3) of subsection (c) as follows:

1762 "(3) Any contract of insurance, as defined in ~~paragraph (1) of~~ Code Section 33-1-2;
 1763 provided, however, that nothing in this paragraph shall impair or prohibit the enforcement
 1764 of or in any way invalidate an arbitration clause or provision in a contract between
 1765 insurance companies;"

1766 **SECTION 1-95.**

1767 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other
 1768 trade practices, is amended in Code Section 10-1-3, relating to requirements for retail
 1769 installment contracts, time price differential, prepayment, and inclusion of construction
 1770 permit costs, by revising subsection (g) as follows:

1771 "(g) The seller under any retail installment contract shall, within 30 days after execution
 1772 of the contract, deliver or mail or cause to be delivered or mailed to the buyer at his or her
 1773 aforesaid address any policy or policies of insurance the seller has agreed to purchase in
 1774 connection therewith or in lieu thereof a certificate or certificates of such insurance. The
 1775 amount, if any, included for insurance shall not exceed the applicable premiums chargeable
 1776 in accordance with the rates filed with the ~~Insurance~~ Department of Insurance; if any such
 1777 insurance is canceled, unearned insurance premium refunds received by the holder shall
 1778 be credited to the final maturing installment of the contract except to the extent applied
 1779 toward the payment for similar insurance protecting the interests of the seller and the
 1780 holder or either of them. Nothing in this article shall impair or abrogate the right of a buyer
 1781 to procure insurance from an agent and company of his or her own selection, as provided
 1782 by the insurance laws of this state; and nothing contained in this article shall modify, alter,
 1783 or repeal any of the insurance laws of this state."

SECTION 1-96.

1784
 1785 Said chapter is further amended in Code Section 10-1-32, relating to requirements for retail
 1786 installment contracts, insurance, delinquency charges, attorneys' fees, and costs, and receipts,
 1787 by revising paragraph (1) of subsection (e) as follows:

1788 "(e)(1) If any insurance is purchased by the holder of the retail installment contract, the
 1789 amount charged therefor shall not exceed the applicable premiums chargeable in
 1790 accordance with the rates filed with the ~~Insurance~~ Department of Insurance. If dual
 1791 interest insurance on the motor vehicle is purchased by the holder, it shall, within 30 days
 1792 after execution of the retail installment contract, send or cause to be sent to the buyer a
 1793 policy or policies or certificate of insurance, written by an insurance company authorized
 1794 to do business in this state, clearly setting forth the amount of the premium, the kind or
 1795 kinds of insurance, the coverages, and all the terms, exceptions, limitations, restrictions,
 1796 and conditions of the contract or contracts of insurance."

SECTION 1-97.

1797
 1798 Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to postsecondary
 1799 education, is amended in Code Section 20-3-632, relating to definitions, by revising
 1800 paragraph (6) as follows:

1801 "(6) 'Financial organization' means an organization which is:
 1802 (A) A fiduciary authorized to act as a trustee pursuant to the provisions of the federal
 1803 Employee Retirement Income Security Act of 1974, as amended, or an insurance
 1804 company or affiliate; and
 1805 (B)(i) Licensed or chartered by the ~~Insurance~~ Department of Insurance;
 1806 (ii) Licensed or chartered by the Department of Banking and Finance;
 1807 (iii) Chartered by an agency of the federal government;
 1808 (iv) Subject to the jurisdiction and regulation of the federal Securities and Exchange
 1809 Commission;
 1810 (v) Any other entity otherwise authorized to act in this state as a trustee pursuant to
 1811 the provisions of the federal Employee Retirement Income Security Act of 1974, as
 1812 amended; or
 1813 (vi) Any investment adviser registered with the ~~United States~~ federal Securities and
 1814 Exchange Commission pursuant to the Investment Advisers Act of 1940."

SECTION 1-98.

1815
 1816 Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to workers'
 1817 compensation, is amended by replacing "Insurance Department" with "Department of
 1818 Insurance" wherever the former term occurs in:

- 1819 (1) Code Section 34-9-121, relating to duty of employer to insure in licensed company or
 1820 association or to deposit security, indemnity, or bond as self-insurer, application to
 1821 out-of-state employers, and membership in mutual insurance company;
 1822 (2) Code Section 34-9-132, relating to grounds for revocation of insurance carrier's permit;
 1823 and
 1824 (3) Code Section 34-9-368, relating to reimbursement of self-insured employers or insureds,
 1825 actuarial study required, and dissolution of Subsequent Injury Trust Fund.

1826 **SECTION 1-99.**

- 1827 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is
 1828 amended by replacing "Insurance Department" with "Department of Insurance" wherever the
 1829 former term occurs in:
 1830 (1) Code Section 40-2-137, relating to definitions, notice of insurance coverage and
 1831 termination, electronic transmission of notice, public inspection of minimum liability
 1832 insurance records, duties of vehicle owner, lapse fee, suspension of vehicle registrations,
 1833 waiver of lapse fee, and persons on active military duty;
 1834 (2) Code Section 40-3-36, relating to cancellation of certificate of title for scrap, dismantled,
 1835 or demolished vehicles or trailers, salvage certificate of title, administrative enforcement, and
 1836 removal of license plates; and
 1837 (3) Code Section 40-3-43, relating to transfer of certificate to person, firm, or corporation
 1838 paying total loss claim on stolen vehicle, administrative fine enforcement alternative, and
 1839 authority of Commissioner of Insurance.

1840 **SECTION 1-100.**

- 1841 Chapter 5 of Title 47 of the Official Code of Georgia Annotated, relating to the Georgia
 1842 Municipal Employees Benefit System, is amended in Code Section 47-5-23, relating to
 1843 powers of the board of trustees generally, by revising paragraph (17) as follows:
 1844 "(17) To serve as trustees of a municipal workers' compensation group self-insurance
 1845 fund which is established by employers as defined in paragraph (9) of Code
 1846 Section 47-5-2 and which is operated pursuant to Article 5 of Chapter 9 of Title 34 and
 1847 rules and regulations of the Georgia ~~Insurance~~ Department of Insurance, notwithstanding
 1848 the definition contained in paragraph (11) of Code Section 34-9-151;"

1849

PART II

1850

SECTION 2-1.

1851 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
1852 repealing Article 2 of Chapter 29A, relating to the Commission on the Georgia Health
1853 Insurance Risk Pool, and designating said article as reserved.

1854

SECTION 2-2.

1855 Any assets of the Commission on the Georgia Health Insurance Risk Pool existing as of
1856 June 30, 2019, shall devolve by operation of law and without further action to the State of
1857 Georgia on July 1, 2019. Any liabilities and obligations of the Commission on the Georgia
1858 Health Insurance Risk Pool existing as of June 30, 2019, shall be transferred to and assumed
1859 by the State of Georgia, by such instruments as may be required to maintain the same.

1860

PART III

1861

SECTION 3-1.

1862 All laws and parts of laws in conflict with this Act are repealed.