

Senate Bill 132

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

**AS PASSED SENATE**

**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 refiling 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~~  
 839 year, 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~~  
 846 year, 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 Said title is further amended in Code Section 33-13-2, relating to acquisition or organization  
 1227 of subsidiaries by domestic insurers, conduct of business by subsidiaries, and investment by  
 1228 insurers in securities of subsidiaries, by revising paragraph (1) of subsection (b) as follows:

1229 "(1) Invest in common stock, preferred stock, debt obligations, and other securities of one  
 1230 or more subsidiaries amounts which do not exceed the lesser of 10 percent of the insurer's

1231 assets or 50 percent of the insurer's surplus as regards policyholders, provided that after  
 1232 the investments the insurer's surplus as regards policyholders will be reasonable in  
 1233 relation to the insurer's outstanding liabilities and adequate to its financial needs. In  
 1234 calculating the amount of such investments, investments in domestic or foreign insurance  
 1235 subsidiaries ~~and health maintenance organizations~~ shall be excluded, and there shall be  
 1236 included:

1237 (A) Total net moneys or other consideration expended and obligations assumed in the  
 1238 acquisition or formation of a subsidiary, including all organizational expenses and  
 1239 contributions to capital and surplus of the subsidiary whether or not represented by the  
 1240 purchase of capital stock or issuance of other securities; and

1241 (B) All amounts expended in acquiring additional common stock, preferred stock, debt  
 1242 obligations, and other securities and all contributions to the capital or surplus of a  
 1243 subsidiary subsequent to its acquisition or formation;"

1244 **SECTION 1-64.**

1245 Said title is further amended in Code Section 33-13-3.1, relating to acquisition of insurer and  
 1246 effect on competition, by revising paragraph (1) of subsection (c) as follows:

1247 "(1) The preacquisition notification shall be in such form and contain such information  
 1248 as prescribed by the National Association of Insurance Commissioners and adopted by  
 1249 regulation promulgated by the Commissioner or as otherwise prescribed by regulation  
 1250 promulgated by the Commissioner relating to those markets which, under subparagraph  
 1251 (b)(2)(D) of this Code section, cause the acquisition not to be exempted from the  
 1252 provisions of this Code section. The Commissioner may require such additional material  
 1253 and information as he or she deems necessary to determine whether the proposed  
 1254 acquisition, if consummated, would violate the competitive standard of subsection (d) of  
 1255 this Code section. The required information may include an opinion of an economist as  
 1256 to the competitive impact of the acquisition in this state accompanied by a summary of  
 1257 the education and experience of such person indicating his or her ability to render an  
 1258 informed opinion; and"

1259 **SECTION 1-65.**

1260 Said title is further amended in Code Section 33-13-4, relating to registration of insurers  
 1261 belonging to holding company systems, by revising subsections (b) and (l) as follows:

1262 "(b) **Contents of registration statement.** Every insurer subject to registration shall file  
 1263 a registration statement with the Commissioner on a form and in a format prescribed by the  
 1264 National Association of Insurance Commissioners and adopted by regulation promulgated

1265 by the Commissioner or as otherwise prescribed by regulation promulgated by the  
 1266 Commissioner, which statement shall contain current information about:

1267 (1) The capital structure, general financial condition, ownership, and management of the  
 1268 insurer and any person controlling the insurer;

1269 (2) The identity of every member of the insurance holding company system;

1270 (3) The following agreements in force, relationships subsisting, and transactions  
 1271 ~~currently~~ outstanding between such insurer and its affiliates:

1272 (A) Loans, other investments, or purchases, sales, or exchanges of the affiliates by the  
 1273 insurer or of the insurer by its affiliates;

1274 (B) Purchases, sales, or exchanges of assets;

1275 (C) Transactions not in the ordinary course of business;

1276 (D) Guarantees or undertakings for the benefit of an affiliate which result in an actual  
 1277 contingent exposure of the insurer's assets to liability other than insurance contracts  
 1278 entered into in the ordinary course of the insurer's business;

1279 (E) All management and service contracts and all cost-sharing arrangements;

1280 (F) Reinsurance agreements;

1281 (G) Dividends and other distributions to shareholders; and

1282 (H) Consolidated tax allocation agreements;

1283 (4) Any pledge of the insurer's stock, including stock of any subsidiary or controlling  
 1284 affiliate, for a loan made to any member of the insurance holding company system;

1285 (5) If requested by the Commissioner, financial statements of or within an insurance  
 1286 holding company system, including all affiliates. Financial statements may include, but  
 1287 are not limited to, annual audited financial statements filed with the federal Securities and  
 1288 Exchange Commission pursuant to the federal Securities Act of 1933, as amended, or the  
 1289 Securities Exchange Act of 1934, as amended. An insurer required to file financial  
 1290 statements pursuant to this paragraph may satisfy the request by providing the  
 1291 Commissioner with the most recently filed parent corporation financial statements ~~that~~  
 1292 ~~have been~~ filed with the Securities and Exchange Commission;

1293 (6) Other matters concerning transactions between registered insurers and any affiliates  
 1294 as may be included from time to time in any registration forms adopted or approved by  
 1295 the Commissioner;

1296 (7) Statements that the insurer's board of directors is responsible for and oversees  
 1297 corporate governance and internal controls and that the insurer's officers or senior  
 1298 management have approved, implemented, and continue to maintain and monitor  
 1299 corporate governance and internal control procedures; and

1300 (8) Any other information required by the Commissioner by rule or regulation."

1301 "(l) **Enterprise risk filing.** The ultimate controlling person of every insurer subject to  
 1302 registration shall also file an annual enterprise risk report. The report shall, to the best of  
 1303 the ultimate controlling person's knowledge and belief, identify the material risks within  
 1304 the insurance holding company system that could pose enterprise risk to the insurer. The  
 1305 report shall be filed with the lead state commissioner of the insurance holding system as  
 1306 determined by the procedures within the Financial Analysis Handbook adopted by the  
 1307 National Association of Insurance Commissioners and adopted by regulation promulgated  
 1308 by the Commissioner or as otherwise prescribed by regulation promulgated by the  
 1309 Commissioner."

#### 1310 **SECTION 1-66.**

1311 Said title is further amended in Code Section 33-13-7, relating to power of Commissioner  
 1312 to participate in supervisory college and payment of expenses associated with participation  
 1313 in supervisory college, by revising subsection (a) as follows:

1314 "(a) **Power of Commissioner.** With respect to any insurer registered under Code Section  
 1315 33-13-4, and in accordance with subsection (c) of this Code section, the Commissioner  
 1316 shall also have the power to participate in a supervisory college for any domestic insurer  
 1317 that is part of an insurance holding company system with international operations in order  
 1318 to determine compliance by the insurer with this title. For purposes of this chapter,  
 1319 'supervisory colleges' means a forum for cooperation and communication between the  
 1320 involved supervisors established for the fundamental purpose of facilitating the  
 1321 effectiveness of the supervision of entities belonging to an insurance group. The powers  
 1322 of the Commissioner with respect to supervisory colleges include, but are not limited to,  
 1323 the following:

- 1324 (1) Initiating the establishment of a supervisory college;
- 1325 (2) Clarifying the membership and participation of other supervisors in the supervisory  
 1326 college;
- 1327 (3) Clarifying the functions of the supervisory college and the role of other regulators,  
 1328 including the establishment of a group-wide supervisor;
- 1329 (4) Coordinating the ongoing activities of the supervisory college, including planning  
 1330 meetings, supervisory activities, and processes for information sharing; and
- 1331 (5) Establishing a crisis management plan."

#### 1332 **SECTION 1-67.**

1333 Said title is further amended in Code Section 33-13-32, relating to definitions, by revising  
 1334 paragraph (4) as follows:

1335 "(4) 'ORSA Guidance Manual' means ~~the current version of~~ the Own Risk and Solvency  
 1336 Assessment Guidance Manual developed and adopted by the National Association of  
 1337 Insurance Commissioners and as amended from time to time. A change in the ORSA  
 1338 Guidance Manual shall be effective on January 1 following the calendar year in which  
 1339 the changes have been adopted by the National Association of Insurance Commissioners."

1340 **SECTION 1-68.**

1341 Said title is further amended in Code Section 33-13-37, relating to preparation of report and  
 1342 review and use, by revising subsection (b) as follows:

1343 "(b) The review of the ORSA Summary Report; and any additional requests for  
 1344 information; shall be made using similar procedures ~~currently~~ used in the analysis and  
 1345 examination of multistate or global insurers and insurance groups."

1346 **SECTION 1-69.**

1347 Said title is further amended in Code Section 33-13-38, relating to confidentiality and  
 1348 protection, by revising paragraphs (1), (2), and (3) of subsection (c) as follows:

1349 "(1) May upon request share documents, materials, or other ORSA related information,  
 1350 including the confidential and privileged documents, materials, or information subject to  
 1351 subsection (a) of this Code section, including proprietary and trade secret documents and  
 1352 materials with other state, federal, and international financial regulatory agencies,  
 1353 including members of any supervisory college as ~~defined~~ described in Code Section  
 1354 33-13-7, with the National Association of Insurance Commissioners and with any  
 1355 third-party consultants designated by the Commissioner, provided that the recipient  
 1356 agrees in writing to maintain the confidentiality and privileged status of the ORSA related  
 1357 documents, materials, or other information and has verified in writing the legal authority  
 1358 to maintain confidentiality;

1359 (2) May receive documents, materials, or other ORSA related information, including  
 1360 otherwise confidential and privileged documents, materials, or information, including  
 1361 proprietary and trade secret information or documents, from regulatory officials of other  
 1362 foreign or domestic jurisdictions, including members of any supervisory college as  
 1363 ~~defined~~ described in Code Section 33-13-7, and from the National Association of  
 1364 Insurance Commissioners, and shall maintain as confidential or privileged any  
 1365 documents, materials, or information received with notice or the understanding that ~~it is~~  
 1366 such documents, materials, or information are confidential or privileged under the laws  
 1367 of the jurisdiction that is the source of ~~the document, material,~~ such documents, materials,  
 1368 or information; and

1369 (3) Shall enter into a written agreement with the National Association of Insurance  
 1370 Commissioners or a third-party consultant governing sharing and use of information  
 1371 provided pursuant to this article, consistent with this subsection that shall:

1372 (A) Specify procedures and protocols regarding the confidentiality and security of  
 1373 information shared with the National Association of Insurance Commissioners or a  
 1374 third-party consultant pursuant to this article, including procedures and protocols for  
 1375 sharing by the National Association of Insurance Commissioners with other state  
 1376 regulators from states in which the insurance group has domiciled insurers. The  
 1377 agreement shall provide that the recipient agrees in writing to maintain the  
 1378 confidentiality and privileged status of the ORSA related documents, materials, or other  
 1379 information and has verified in writing the legal authority to maintain confidentiality;

1380 (B) Specify that ownership of information shared with the National Association of  
 1381 Insurance Commissioners or a third-party consultant pursuant to this article remains  
 1382 with the Commissioner and that the use of information by the National Association of  
 1383 Insurance Commissioners's Commissioners or a third-party ~~consultant's use of the~~  
 1384 ~~information~~ consultant is subject to the direction of the Commissioner;

1385 (C) Prohibit the National Association of Insurance Commissioners or third-party  
 1386 consultant from storing the information shared pursuant to this article in a permanent  
 1387 data base after the underlying analysis is completed;

1388 (D) Require prompt notice to be given to an insurer whose confidential information in  
 1389 the possession of the National Association of Insurance Commissioners or a third-party  
 1390 consultant pursuant to this article is subject to a request or subpoena to the National  
 1391 Association of Insurance Commissioners or a third-party consultant for disclosure or  
 1392 production;

1393 (E) Require the National Association of Insurance Commissioners or a third-party  
 1394 consultant to consent to intervention by an insurer in any judicial or administrative  
 1395 action in which the National Association of Insurance Commissioners or a third-party  
 1396 consultant may be required to disclose confidential information about the insurer shared  
 1397 with the National Association of Insurance Commissioners or a third-party consultant  
 1398 pursuant to this article; and

1399 (F) In the case of an agreement involving a third-party consultant, provide for the  
 1400 insurer's written consent."

1401 **SECTION 1-70.**

1402 Said title is further amended by repealing Code Section 33-13-40, relating to severability,  
 1403 and designating said Code section as reserved.

**SECTION 1-71.**

1404  
 1405 Said title is further amended in Code Section 33-14-63, relating to filing of surety bond or  
 1406 deposit by incorporators of proposed insurer, conditions of bond or deposit, and release and  
 1407 discharge, by revising paragraph (3) of subsection (a) as follows:

1408     "(3) For payment of costs incurred by the state in the event of any legal proceedings for  
 1409     liquidation or dissolution of the ~~corporations~~ corporation."

**SECTION 1-72.**

1410  
 1411 Said title is further amended in Code Section 33-14-107, relating to assets, by revising  
 1412 subsection (b) as follows:

1413     "(b) All other assets shall ~~be nonadmitted~~ not be admitted assets."

**SECTION 1-73.**

1414  
 1415 Said title is further amended by revising Code Section 33-14-108, relating to applicability  
 1416 of certain Code provisions, as follows:

1417     "33-14-108.

1418     The following provisions of ~~the Code do not~~ this title shall not apply to a limited purpose  
 1419 subsidiary organized under this article:

- 1420     (1) Code Section 33-3-6;
- 1421     (2) Code Section 33-3-7;
- 1422     (3) Code Section 33-3-8;
- 1423     (4) Code Section 33-7-14;
- 1424     (5) Article 2 of Chapter 11 ~~of this title~~;
- 1425     (6) Code Section 33-13-4;
- 1426     (7) Code Section 33-13-5;
- 1427     (8) Code Section 33-14-40; and
- 1428     (9) Chapter 56 ~~of this title~~."

**SECTION 1-74.**

1429  
 1430 Said title is further amended in Code Section 33-15-64, relating to provisions on control of  
 1431 exercise of rights incident to certificate, printing, and notice and consent requirements, by  
 1432 revising subsection (c) as follows:

1433     "(c) The notice as required in subsection ~~(a)~~ (b) of this Code section shall be given 180  
 1434 days prior to the date the member will attain the designated age. The notice shall be  
 1435 delivered in person or given by depositing the notice in the United States mail to be  
 1436 dispatched by at least first-class mail to the last addresses of record of the original applicant  
 1437 and the named member and receiving the receipt provided by the United States Postal

1438 Service or such other evidence as prescribed or accepted by the United States Postal  
1439 Service."

1440 **SECTION 1-75.**

1441 Said title is further amended by revising Code Section 33-15-102, relating to renewal of  
1442 licenses, as follows:

1443 "33-15-102.

1444 ~~Societies which are authorized on January 1, 1994, to transact business in this state and all~~  
1445 ~~societies licensed after such date but before June 30, 1994, may continue such business~~  
1446 ~~until June 30, 1994.~~ The authority of ~~such societies and~~ all societies licensed may  
1447 thereafter be renewed annually but in all cases to terminate on the succeeding June 30.  
1448 However, a license so issued shall continue in full force and effect until the new license is  
1449 issued or specifically refused. For each such license or renewal the society shall pay the  
1450 Commissioner a fee as specified in Code Section 33-8-1. A duly certified copy or  
1451 duplicate of such license shall be prima-facie evidence that the licensee is a fraternal  
1452 benefit society within the meaning of this chapter."

1453 **SECTION 1-76.**

1454 Said title is further amended by revising Code Section 33-15-104, relating to licensing of  
1455 foreign or alien societies, as follows:

1456 "33-15-104.

1457 (a) No foreign or alien society shall transact business in this state without a license issued  
1458 by the Commissioner. Any such society desiring admission to this state shall comply  
1459 substantially with the requirements and limitations of this chapter applicable to domestic  
1460 societies. Any such society may be licensed to transact business in this state upon a  
1461 showing that its assets are invested in accordance with the provisions of this chapter and  
1462 upon filing with the Commissioner:

- 1463 (1) A duly certified copy of its ~~charter~~ articles of incorporation;
- 1464 (2) A copy of its bylaws, certified by its secretary or corresponding officer;
- 1465 (3) A power of attorney to the Commissioner as prescribed in Code Section 33-15-120;
- 1466 (4) A statement of its business under oath of its president and secretary or corresponding  
1467 officers in a form prescribed by the Commissioner, duly verified by an examination made  
1468 by the ~~supervising~~ supervisory insurance official of its home state or other state, territory,  
1469 province, or country, satisfactory to the Commissioner of this state;
- 1470 (5) Certification from the proper official of its home state, territory, province, or country  
1471 that the society is legally incorporated and licensed to transact business therein;
- 1472 (6) Copies of its certificate forms; and

- 1473 (7) Such other information as the Commissioner may deem necessary.
- 1474 (b) A society domiciled in any other state, territory, province, or country shall comply  
 1475 fully with this chapter and agree to be treated as a domestic society unless:
- 1476 (1) The state, territory, province, or country of domicile is accredited under the National  
 1477 Association of Insurance Commissioners Financial Regulation Standards and  
 1478 Accreditation Program. ~~This paragraph shall apply on and after January 1, 1994;~~ and
- 1479 (2) The state, territory, province, or country of domicile has a statute or regulation  
 1480 governing fraternal benefit societies which is substantially similar to this chapter."

1481 **SECTION 1-77.**

1482 Said title is further amended in Code Section 33-16-4, relating to issuance of certificate of  
 1483 authority, qualifications, and proposed changes to plan of operation, by revising subsections  
 1484 (a) and (b) as follows:

1485 "(a) No person shall transact or attempt to transact business as a farmers' mutual fire  
 1486 insurance company unless so authorized by a ~~currently~~ an effective certificate of authority  
 1487 issued by the Commissioner.

1488 (b) The Commissioner shall not issue or permit to exist any certificate of authority as to  
 1489 any insurer not ~~currently~~ qualified for such certificate unless it is shown to the satisfaction  
 1490 of the Commissioner that:

1491 (1) The farmers' mutual fire insurance company maintains the minimum surplus required  
 1492 by subsection (a) of Code Section 33-16-13;

1493 (2) The farmers' mutual fire insurance company maintains a security deposit as required  
 1494 by subsection (c) of Code Section 33-16-13;

1495 (3) The farmers' mutual fire insurance company has submitted an acceptable business  
 1496 plan to the Commissioner that includes, but is not limited to, two-year financial  
 1497 projections and supporting assumptions reflecting expected premiums and losses,  
 1498 counties where the farmers' mutual fire insurance company intends to insure property,  
 1499 and the contingent liability, if any, of its members; and

1500 (4) It must otherwise be in compliance with the requirements of this chapter."

1501 **SECTION 1-78.**

1502 Said title is further amended by revising Code Section 33-16-6, relating to board of directors  
 1503 generally, as follows:

1504 "33-16-6.

1505 In companies organized under this chapter, the number of directors shall be not less than  
 1506 three. A majority of the board of directors shall be a quorum for the transaction of

1507 business. No person shall be or act as a director of the insurer who does not have ~~currently~~  
 1508 ~~effective~~ insurance in force in the insurer."

1509 **SECTION 1-79.**

1510 Said title is further amended in Code Section 33-17-2, relating to applicability of chapter, by  
 1511 revising subsection (b) as follows:

1512 "(b) ~~Existing authorized~~ Authorized reciprocal insurers shall ~~after January 1, 1961,~~ comply  
 1513 with this chapter and shall make any amendments to their subscribers' agreement, power  
 1514 of attorney, policies, and other documents and accounts and perform any other acts as may  
 1515 be required for ~~that~~ such compliance."

1516 **SECTION 1-80.**

1517 Said title is further amended by revising Code Section 33-17-8, relating to filing of bond by  
 1518 attorney for insurer, amount of bond, and cancellation of bond, as follows:

1519 "(a) Concurrently with the filing of the declaration provided for in Code Section 33-17-6,  
 1520 the attorney of a domestic reciprocal insurer shall file with the Commissioner a bond in  
 1521 favor of the Commissioner for the benefit of all persons damaged as a result of breach by  
 1522 the attorney of the conditions of his or her bond as set forth in subsection (b) of this Code  
 1523 section. The bond shall be executed by the attorney and by an authorized corporate surety  
 1524 and shall be subject to the Commissioner's approval.

1525 (b) The bond shall be in the penal sum of \$25,000.00, aggregate in form, conditioned that  
 1526 the attorney will faithfully account for all moneys and other property of the insurer coming  
 1527 into his or her hands and that he or she will not withdraw or appropriate to his or her own  
 1528 use from the funds of the insurer any moneys or property to which he or she is not entitled  
 1529 under the power of attorney.

1530 (c) The bond shall provide that it is not subject to cancellation unless 30 days' advance  
 1531 notice in writing of cancellation is given to both the attorney and the Commissioner."

1532 **SECTION 1-81.**

1533 Said title is further amended in Code section 33-17-12, relating to effect of discharge of  
 1534 duties by attorney of foreign or alien insurer and office of attorney, by revising subsection  
 1535 (a) as follows:

1536 "(a) The attorney of a foreign or alien reciprocal insurer, which insurer is duly authorized  
 1537 to transact insurance in this state, shall not, by virtue of discharge of his or her duties as  
 1538 such attorney with respect to the insurer's transactions in this state, be thereby deemed to  
 1539 be doing business in this state within the meaning of any laws of this state applying to  
 1540 foreign firms or corporations."

1541 **SECTION 1-82.**

1542 Said title is further amended in Code Section 33-17-13, relating to designation by insurer of  
 1543 person to acknowledge or accept service of process, manner of service of process, and effect  
 1544 of judgment based upon process served in manner prescribed, by revising subsection (b) as  
 1545 follows:

1546 "(b) Legal process shall be served upon the reciprocal insurer by serving the insurer's  
 1547 attorney at his or her principal office in this state or by serving the Commissioner as the  
 1548 insurer's agent."

1549 **SECTION 1-83.**

1550 Said title is further amended by revising Code Section 33-17-23, relating to limitation period  
 1551 for assessments, as follows:

1552 "33-17-23.

1553 Every subscriber of a domestic reciprocal insurer having contingent liability shall be liable  
 1554 for and shall pay his share of any assessment, as computed and limited in accordance with  
 1555 this chapter, if:

1556 (1) While his or her policy is in force or within one year after its termination, he or she  
 1557 is notified by either the attorney or the Commissioner of his or her intentions to levy the  
 1558 assessment; or

1559 (2) If an order to show cause why the receiver, conservator, rehabilitator, or liquidator  
 1560 of the insurer should not be appointed is issued while his or her policy is in force or  
 1561 within one year after its termination."

1562 **SECTION 1-84.**

1563 Said title is further amended by revising Code Section 33-17-25, relating to insufficient  
 1564 assets to discharge liabilities and to maintain required surplus, as follows:

1565 "33-17-25.

1566 (a) If the assets of a domestic reciprocal insurer are at any time insufficient to discharge  
 1567 its liabilities, other than any liability on account of funds contributed by the attorney or  
 1568 others, and to maintain the required surplus, its attorney shall immediately make up the  
 1569 deficiency or levy an assessment upon the subscribers for the amount needed to make up  
 1570 the deficiency, subject to the limitations set forth in the power of attorney or policy.

1571 (b) If the attorney fails to make up the deficiency or to make the assessment within 30 days  
 1572 after the Commissioner orders him or her to do so or if the deficiency is not fully made up  
 1573 within 60 days after the date the assessment was made, the insurer shall be deemed  
 1574 insolvent and shall be proceeded against as authorized by this title.

1575 (c) If liquidation of an insurer is ordered, an assessment shall be levied upon the  
 1576 subscribers for an amount, subject to limits as provided by this chapter, as the  
 1577 Commissioner determines to be necessary to discharge all liabilities of the insurer,  
 1578 exclusive of any funds contributed by the attorney or other persons but including the  
 1579 reasonable costs of the liquidation."

1580 **SECTION 1-85.**

1581 Said title is further amended in Code Section 33-20-3, relating to definitions, by revising  
 1582 paragraphs (1) and (3) as follows:

1583 "(1) 'Beneficiary' or 'covered dependent' means a person designated in the subscription  
 1584 certificate or application therefor of a subscriber as entitled to health care service with  
 1585 respect to whom appropriate ~~periodical~~ periodic payments are made, all subject to  
 1586 acceptance by the health care corporation."

1587 "(3) 'Health care plan' means a plan or arrangement under which health care services are  
 1588 or may be rendered to a subscriber or a covered dependent or other beneficiary at the  
 1589 expense of a health care corporation in consideration of ~~periodical~~ periodic payments  
 1590 made by the subscriber or another in his or her behalf."

1591 **SECTION 1-86.**

1592 Said title is further amended by revising Code Section 33-20-28, relating to termination of  
 1593 organizers, solicitors, or agents engaging in unfair or deceptive practice, as follows:

1594 "33-20-28.

1595 Whenever the Commissioner finds after investigation that an organizer, ~~solicitor, or agent,~~  
 1596 or solicitor of a health care corporation has unfairly or improperly solicited subscription  
 1597 certificates by misrepresenting the terms of the certificates or has engaged in any other  
 1598 unfair or deceptive practice, or for any reason is incompetent to serve as an organizer,  
 1599 agent, or solicitor, or that his or her services are not, in fact, needed, he or she shall order  
 1600 such corporation to dispense with the services and the organizer, ~~solicitor, or agent, or~~  
 1601 solicitor of the corporation. The ~~corporations~~ corporation shall be subject to the fines,  
 1602 penalties, and provisions of Chapter 6 of this title and Code Section 33-2-24 that are  
 1603 applicable to life insurers and their agents and that are not inconsistent with this chapter."

1604 **SECTION 1-87.**

1605 Said title is further amended in Code Section 33-20-34, relating to conversion of nonprofit  
 1606 health care corporation, requirements and procedures, and rules and regulations, by revising  
 1607 paragraph (1) of subsection (a) as follows:

1608 "(a)(1) Any health care corporation which is governed generally by Chapter 3 of Title  
 1609 14, the 'Georgia Nonprofit Corporation Code,' and authorized under this chapter may  
 1610 merge with, or amend its articles of incorporation to become, a corporation governed by  
 1611 Chapter 2 of Title 14, the 'Georgia Business Corporation Code,' provided a detailed,  
 1612 written plan is submitted to the Commissioner for such conversion, written notice of such  
 1613 submission is given to the Attorney General, and, after a public hearing thereon, such  
 1614 plan is approved by the Commissioner after being found to be in the best interest of the  
 1615 company, its policyholders, and the general public."

1616 **SECTION 1-88.**

1617 Said title is further amended by revising Code Section 33-20A-3, relating to definitions, as  
 1618 follows:

1619 "33-20A-3.

1620 As used in this article, the term:

1621 ~~(1) 'Commissioner' means the Commissioner of Insurance.~~

1622 ~~(2)~~(1) 'Emergency services' or 'emergency care' means those health care services that are  
 1623 provided for a condition of recent onset and sufficient severity, including, but not limited  
 1624 to, severe pain, that would lead a prudent layperson, possessing an average knowledge  
 1625 of medicine and health, to believe that his or her condition, sickness, or injury is of such  
 1626 a nature that failure to obtain immediate medical care could result in:

1627 (A) Placing the patient's health in serious jeopardy;

1628 (B) Serious impairment to bodily functions; or

1629 (C) Serious dysfunction of any bodily organ or part.

1630 ~~(3)~~(2) 'Enrollee' means an individual who has elected to contract for or participate in a  
 1631 managed care plan for that individual or for that individual and that individual's eligible  
 1632 dependents.

1633 ~~(4)~~(3) 'Facility' means a hospital, ambulatory surgical treatment center, birthing center,  
 1634 diagnostic and treatment center, hospice, or similar institution for examination, diagnosis,  
 1635 treatment, surgery, or maternity care but does not include physicians' or dentists' private  
 1636 offices and treatment rooms in which such physicians or dentists primarily see, consult  
 1637 with, and treat patients.

1638 ~~(5)~~(4) 'Health benefit plan' has the same meaning as provided in Code Section  
 1639 33-24-59.5.

1640 ~~(6)~~(5) 'Health care provider' or 'provider' means any physician, dentist, podiatrist,  
 1641 pharmacist, optometrist, psychologist, clinical social worker, advanced practice nurse,  
 1642 registered optician, licensed professional counselor, physical therapist, marriage and  
 1643 family therapist, chiropractor, athletic trainer qualified pursuant to Code Section 43-5-8,

- 1644 occupational therapist, speech language pathologist, audiologist, dietitian, or physician  
 1645 assistant.
- 1646 ~~(7)~~(6) 'Home health care provider' means any provider or agency that provides health  
 1647 care services in a patient's home including the supply of durable medical equipment for  
 1648 use in a patient's home.
- 1649 ~~(8)~~(7) 'Limited utilization incentive plan' means any compensation arrangement between  
 1650 the plan and a health care provider or provider group that has the effect of reducing or  
 1651 limiting services to patients.
- 1652 ~~(9)~~(8) 'Managed care contractor' means a person who:
- 1653 (A) Establishes, operates, or maintains a network of participating providers;
  - 1654 (B) Conducts or arranges for utilization review activities; and
  - 1655 (C) Contracts with an insurance company, a hospital or medical service plan, an  
 1656 employer, an employee organization, or any other entity providing coverage for health  
 1657 care services to operate a managed care plan.
- 1658 ~~(10)~~(9) 'Managed care entity' includes an insurance company, hospital or medical service  
 1659 plan, hospital, health care provider network, physician hospital organization, health care  
 1660 provider, health maintenance organization, health care corporation, employer or  
 1661 employee organization, or managed care contractor that offers a managed care plan.
- 1662 ~~(11)~~(10) 'Managed care plan' means a major medical, hospitalization, or dental plan that  
 1663 provides for the financing and delivery of health care services to persons enrolled in such  
 1664 plan through:
- 1665 (A) Arrangements with selected providers to furnish health care services;
  - 1666 (B) Explicit standards for the selection of participating providers; and
  - 1667 (C) Cost savings for persons enrolled in the plan to use the participating providers and  
 1668 procedures provided for by the plan; provided, however, that the term 'managed care  
 1669 plan' does not apply to Chapter 9 of Title 34, relating to workers' compensation.
- 1670 ~~(12)~~(11) 'Nonurgent procedure' means any nonemergency or elective care that can be  
 1671 scheduled at least 24 hours prior to the service without posing a significant threat to the  
 1672 patient's health or well-being.
- 1673 ~~(13)~~(12) 'Out of network' or 'point of service' refers to health care items or services  
 1674 provided to an enrollee by providers who do not belong to the provider network in the  
 1675 managed care plan.
- 1676 ~~(14)~~(13) 'Patient' means a person who seeks or receives health care services under a  
 1677 managed care plan.
- 1678 ~~(15)~~(14) 'Precertification' or 'preauthorization' means any written or oral determination  
 1679 made at any time by an insurer or any agent thereof that an enrollee's receipt of health  
 1680 care services is a covered benefit under the applicable plan and that any requirement of

1681 medical necessity or other requirements imposed by such plan as prerequisites for  
 1682 payment for such services have been satisfied. 'Agent' as used in this paragraph shall not  
 1683 include an agent or agency as defined in Code Section 33-23-1.

1684 ~~(16)~~(15) 'Qualified managed care plan' means a managed care plan that the  
 1685 Commissioner certifies as meeting the requirements of this article.

1686 ~~(17)~~(16) 'Verification of benefits' means any written or oral determination by an insurer  
 1687 or agent thereof of whether given health care services are a covered benefit under the  
 1688 enrollee's health benefit plan without a determination of precertification or  
 1689 preauthorization as to such services. 'Agent' as used in this paragraph shall not include  
 1690 an agent or agency as defined in Code Section 33-23-1."

#### 1691 **SECTION 1-89.**

1692 Said title is further amended in Code Section 33-20A-5, relating to standards for certification,  
 1693 by revising subdivision (3)(B)(i)(II) as follows:

1694 "(II) Provides for the establishment of written protocols for utilization review,  
 1695 based on ~~current~~ standards of the relevant health care profession;"

#### 1696 **SECTION 1-90.**

1697 Said title is further amended by revising Code Section 33-20A-60, relating to definitions, as  
 1698 follows:

1699 "33-20A-60.

1700 As used in this article, the term:

1701 (1) 'Agent' ~~as used in this article~~ shall not include an agent or agency as defined in Code  
 1702 Section 33-23-1.

1703 (2) 'Carrier' means an accident and sickness insurer, fraternal benefit society, ~~hospital~~  
 1704 ~~service corporation, medical service corporation,~~ health care corporation, health  
 1705 maintenance organization, provider sponsored health care corporation, or any similar  
 1706 entity and any self-insured health benefit plan not subject to the exclusive jurisdiction of  
 1707 the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. Section 1001,  
 1708 et seq., which entity provides for the financing or delivery of health care services through  
 1709 a health benefit plan, or the plan administrator of any health benefit plan established  
 1710 pursuant to Article 1 of Chapter 18 of Title 45.

1711 (3) 'Claimant' means any provider, facility, or individual making a claim under a health  
 1712 benefit plan on behalf of an enrollee.

1713 ~~(4) 'Commissioner' means the Commissioner of Insurance.~~

1714 ~~(5)~~(4) 'Enrollee' has the same meaning as provided in Code Section 33-20A-3.

1715 ~~(6)~~(5) 'Health benefit plan' has the same meaning as provided in Code Section  
1716 33-24-59.5.

1717 ~~(7)~~(6) 'Physician contract' means any contract between a physician and a carrier or a  
1718 carrier's network, physician panel, intermediary, or representative providing the terms  
1719 under which the physician agrees to provide health care services to an enrollee pursuant  
1720 to a health benefit plan.

1721 ~~(8)~~(7) 'Postpayment audit' means an investigation by a health benefit plan, carrier,  
1722 insurer, or panel, or agent thereof, of whether a claim was properly paid to a claimant.

1723 ~~(9)~~(8) 'Retroactive denial of a previously paid claim' or 'retroactive denial of payment'  
1724 means any attempt by a carrier retroactively to collect payments already made to a  
1725 claimant with respect to a claim, or any portion thereof, by requiring repayment of such  
1726 payments, by reducing other payments ~~currently~~ owed to the claimant, by withholding  
1727 or setting off against future payments, or in any other manner reducing or affecting the  
1728 future claim payments to the claimant."

1729 **SECTION 1-91.**

1730 Said title is further amended in Code Section 22-20B-2, relating to definitions, by revising  
1731 paragraph (6) as follows:

1732 "(6) 'Hospital' means any building or facility licensed by the department of community  
1733 health as a hospital under this chapter which:

1734 (A) Operates no more than 100 beds;

1735 (B) Provides 24 hour emergency care as well as a range of health care services  
1736 sufficient to support the practice of a primary care physician; and

1737 (C) For at least one of the immediately preceding two fiscal years, derived at least 40  
1738 percent of its patient revenues from medicare, Medicaid, or any combination of  
1739 medicare and Medicaid."

1740 **SECTION 1-92.**

1741 Said title is further amended by revising Code Section 33-29A-31, relating to individual  
1742 accident and sickness insurance policy definitions, as follows:

1743 "33-29A-31.

1744 For purposes of this article, the term 'individual accident and sickness insurance policy'  
1745 means any policy insuring against loss resulting from sickness or from bodily injury or  
1746 death by accident, or both, or any contract to furnish ambulance service in the future but  
1747 does not include limited benefit insurance policies exempted from the definition of the term  
1748 'health benefit policy' in ~~paragraph (1.1)~~ of Code Section 33-1-2. The term 'individual  
1749 accident and sickness insurance policy' shall also include comprehensive major medical

1750 coverage for medical and surgical benefits, and also includes ~~High Deductible Health~~  
 1751 ~~Plans~~ 'high deductible health plans' sold or maintained under the applicable provisions of  
 1752 Section 223 of the Internal Revenue Code."

1753 **SECTION 1-93.**

1754 Said title is further amended by replacing "Insurance Department" with "Department of  
 1755 Insurance" wherever the former term occurs in:

- 1756 (1) Code Section 33-13-1, relating to definitions;  
 1757 (2) Code Section 33-13-38, relating to confidentiality and protection;  
 1758 (3) Code Section 33-21-17, relating to examinations of organizations and providers, reports  
 1759 of examinations, and payment of expenses of examinations;  
 1760 (4) Code Section 33-23-12, relating to limited licenses;  
 1761 (5) Code Section 33-24-66, relating to evidence, testimony, and information necessary to  
 1762 prepare report under Code Section 33-24-63, and time period for issuing of reports on bill;  
 1763 (6) Code Section 33-25-14, relating to unclaimed life insurance benefits, purpose,  
 1764 definitions, and insurer conduct;  
 1765 (7) Code Section 33-29-19, relating to rate modification on individual accident and sickness  
 1766 policies providing for optional loss ratio guarantee;  
 1767 (8) Code Section 33-37-10, relating to confidentiality of proceedings;  
 1768 (9) Code Section 33-37-13, relating to authority of rehabilitator, additional remedies, and  
 1769 rehabilitation plan;  
 1770 (10) Code Section 33-37-20, relating to powers of liquidator;  
 1771 (11) Code Section 33-52-3, relating to notice of transfer, contents and form of notice, and  
 1772 prior approval of Commissioner; and  
 1773 (12) Code Section 33-55-2, relating to "material" acquisition or disposition defined, scope  
 1774 of reporting requirement, and information to be included in report.

1775 **SECTION 1-94.**

1776 Chapter 9 of Title 9 of the Official Code of Georgia Annotated, relating to civil practice  
 1777 arbitration, is amended in Code Section 9-9-2, relating to applicability and exclusive method,  
 1778 by revising paragraph (3) of subsection (c) as follows:

1779 "(3) Any contract of insurance, as defined in ~~paragraph (1) of~~ Code Section 33-1-2;  
 1780 provided, however, that nothing in this paragraph shall impair or prohibit the enforcement  
 1781 of or in any way invalidate an arbitration clause or provision in a contract between  
 1782 insurance companies;"

**SECTION 1-95.**

1783  
 1784 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other  
 1785 trade practices, is amended in Code Section 10-1-3, relating to requirements for retail  
 1786 installment contracts, time price differential, prepayment, and inclusion of construction  
 1787 permit costs, by revising subsection (g) as follows:

1788 "(g) The seller under any retail installment contract shall, within 30 days after execution  
 1789 of the contract, deliver or mail or cause to be delivered or mailed to the buyer at his or her  
 1790 aforesaid address any policy or policies of insurance the seller has agreed to purchase in  
 1791 connection therewith or in lieu thereof a certificate or certificates of such insurance. The  
 1792 amount, if any, included for insurance shall not exceed the applicable premiums chargeable  
 1793 in accordance with the rates filed with the ~~Insurance~~ Department of Insurance; if any such  
 1794 insurance is canceled, unearned insurance premium refunds received by the holder shall  
 1795 be credited to the final maturing installment of the contract except to the extent applied  
 1796 toward the payment for similar insurance protecting the interests of the seller and the  
 1797 holder or either of them. Nothing in this article shall impair or abrogate the right of a buyer  
 1798 to procure insurance from an agent and company of his or her own selection, as provided  
 1799 by the insurance laws of this state; and nothing contained in this article shall modify, alter,  
 1800 or repeal any of the insurance laws of this state."

**SECTION 1-96.**

1801  
 1802 Said chapter is further amended in Code Section 10-1-32, relating to requirements for retail  
 1803 installment contracts, insurance, delinquency charges, attorneys' fees, and costs, and receipts,  
 1804 by revising paragraph (1) of subsection (e) as follows:

1805 "(e)(1) If any insurance is purchased by the holder of the retail installment contract, the  
 1806 amount charged therefor shall not exceed the applicable premiums chargeable in  
 1807 accordance with the rates filed with the ~~Insurance~~ Department of Insurance. If dual  
 1808 interest insurance on the motor vehicle is purchased by the holder, it shall, within 30 days  
 1809 after execution of the retail installment contract, send or cause to be sent to the buyer a  
 1810 policy or policies or certificate of insurance, written by an insurance company authorized  
 1811 to do business in this state, clearly setting forth the amount of the premium, the kind or  
 1812 kinds of insurance, the coverages, and all the terms, exceptions, limitations, restrictions,  
 1813 and conditions of the contract or contracts of insurance."

**SECTION 1-97.**

1814  
 1815 Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to postsecondary  
 1816 education, is amended in Code Section 20-3-632, relating to definitions, by revising  
 1817 paragraph (6) as follows:

1818 "(6) 'Financial organization' means an organization which is:  
 1819 (A) A fiduciary authorized to act as a trustee pursuant to the provisions of the federal  
 1820 Employee Retirement Income Security Act of 1974, as amended, or an insurance  
 1821 company or affiliate; and  
 1822 (B)(i) Licensed or chartered by the ~~Insurance~~ Department of Insurance;  
 1823 (ii) Licensed or chartered by the Department of Banking and Finance;  
 1824 (iii) Chartered by an agency of the federal government;  
 1825 (iv) Subject to the jurisdiction and regulation of the federal Securities and Exchange  
 1826 Commission;  
 1827 (v) Any other entity otherwise authorized to act in this state as a trustee pursuant to  
 1828 the provisions of the federal Employee Retirement Income Security Act of 1974, as  
 1829 amended; or  
 1830 (vi) Any investment adviser registered with the ~~United States~~ federal Securities and  
 1831 Exchange Commission pursuant to the Investment Advisers Act of 1940."

1832 **SECTION 1-98.**

1833 Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to workers'  
 1834 compensation, is amended by replacing "Insurance Department" with "Department of  
 1835 Insurance" wherever the former term occurs in:  
 1836 (1) Code Section 34-9-121, relating to duty of employer to insure in licensed company or  
 1837 association or to deposit security, indemnity, or bond as self-insurer, application to  
 1838 out-of-state employers, and membership in mutual insurance company;  
 1839 (2) Code Section 34-9-132, relating to grounds for revocation of insurance carrier's permit;  
 1840 and  
 1841 (3) Code Section 34-9-368, relating to reimbursement of self-insured employers or insureds,  
 1842 actuarial study required, and dissolution of Subsequent Injury Trust Fund.

1843 **SECTION 1-99.**

1844 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is  
 1845 amended by replacing "Insurance Department" with "Department of Insurance" wherever the  
 1846 former term occurs in:  
 1847 (1) Code Section 40-2-137, relating to definitions, notice of insurance coverage and  
 1848 termination, electronic transmission of notice, public inspection of minimum liability  
 1849 insurance records, duties of vehicle owner, lapse fee, suspension of vehicle registrations,  
 1850 waiver of lapse fee, and persons on active military duty;

1851 (2) Code Section 40-3-36, relating to cancellation of certificate of title for scrap, dismantled,  
 1852 or demolished vehicles or trailers, salvage certificate of title, administrative enforcement, and  
 1853 removal of license plates; and

1854 (3) Code Section 40-3-43, relating to transfer of certificate to person, firm, or corporation  
 1855 paying total loss claim on stolen vehicle, administrative fine enforcement alternative, and  
 1856 authority of Commissioner of Insurance.

1857 **SECTION 1-100.**

1858 Chapter 5 of Title 47 of the Official Code of Georgia Annotated, relating to the Georgia  
 1859 Municipal Employees Benefit System, is amended in Code Section 47-5-23, relating to  
 1860 powers of the board of trustees generally, by revising paragraph (17) as follows:

1861 "(17) To serve as trustees of a municipal workers' compensation group self-insurance  
 1862 fund which is established by employers as defined in paragraph (9) of Code  
 1863 Section 47-5-2 and which is operated pursuant to Article 5 of Chapter 9 of Title 34 and  
 1864 rules and regulations of the Georgia ~~Insurance~~ Department of Insurance, notwithstanding  
 1865 the definition contained in paragraph (11) of Code Section 34-9-151;"

1866 **PART II**

1867 **SECTION 2-1.**

1868 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
 1869 repealing Article 2 of Chapter 29A, relating to the Commission on the Georgia Health  
 1870 Insurance Risk Pool, and designating said article as reserved.

1871 **SECTION 2-2.**

1872 Any assets of the Commission on the Georgia Health Insurance Risk Pool existing as of  
 1873 June 30, 2019, shall devolve by operation of law and without further action to the State of  
 1874 Georgia on July 1, 2019. Any liabilities and obligations of the Commission on the Georgia  
 1875 Health Insurance Risk Pool existing as of June 30, 2019, shall be transferred to and assumed  
 1876 by the State of Georgia, by such instruments as may be required to maintain the same.

1877 **PART III**

1878 **SECTION 3-1.**

1879 All laws and parts of laws in conflict with this Act are repealed.