

**BEFORE THE COMMISSIONER OF INSURANCE**

**STATE OF GEORGIA**

**IN THE MATTER OF:**

**CHAPTER 120-2-100  
LIMITED PURPOSE SUBSIDIARIES  
REGULATION**

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**DOCKET NUMBER I-11-R-4**

**ORDER**

On September 30, 2011, Notice of Intent to Adopt Rule Changes And Notice Hearing was given regarding the proposed adoption of Regulation Chapter 120-2-100 titled "Limited Purpose Subsidiaries" (Record, Exhibits 1). The proposed regulation is necessary to create a regulatory structure for the formation and operation of limited purpose subsidiaries.

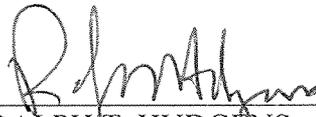
By letter dated November 1, 2011, the Office of the Attorney General opinioned that the proposed regulation was within this office's scope of authority (Record, Exhibit 5). Pursuant to O.C.G.A. §50-13-4(e), the proposed regulation was transmitted to Wayne R. Allen, Legislative Counsel for the General Assembly, for assignment to the appropriate standing committees of the Senate and House of Representatives (Record, Exhibits 6 and 7).

Interested persons were given the opportunity to participate in the proposed rulemaking by submitting their written comments by November 1, 2011, and by making oral comments at the public hearing held November 8, 2011. No written comments were submitted. Don Roof, the Director of the Regulatory Services Division, was the only person to offer oral comments at the hearing.

According to Mr. Roof, the proposed regulation was created to provide guidance for the organization and operation of limited purpose subsidiaries. The proposed regulation creates licensing, minimum capital surplus, and financial reporting requirements for such subsidiaries. Additionally, the proposed regulation creates investment requirements for the subsidiaries and an approval mechanism for certain reinsurance transactions.

**WHEREAS**, no written or oral comments were submitted in opposition to the proposed regulation, and **WHEREAS** this office finds Mr. Roof's comments in support of the proposed regulation persuasive, **IT IS HEREBY ORDERED** that Regulation Chapter 120-2-100 titled, "Limited Purpose Subsidiaries," a copy of which is attached hereto and made a part hereof by reference, is adopted.

Given under my Hand and Official Seal this 8th day of November, 2011.



RALPH T. HUDGENS  
INSURANCE AND SAFETY FIRE COMMISSIONER  
STATE OF GEORGIA

