

BEFORE THE COMMISSIONER OF INSURANCE

STATE OF GEORGIA

IN THE MATTER OF:)

CHAPTER 120-2-54)

HAZARDOUS FINANCIAL CONDITION)
OF INSURERS)

DOCKET NUMBER I-12-I-5

ORDER

I. STATEMENT OF PROCEEDINGS

On October 26, 2012, Notice of Intent to Adopt Rule Changes and Notice of Hearing was given regarding the following proposed regulatory actions (Record, Exhibit 1):

- Amending Regulation 120-2-54-.01 entitled "Authority"
- Amending Regulation 120-2-54-.02 entitled "Purpose"
- Amending Regulation 120-2-54-.03 entitled "Standards"
- Amending Regulation 120-2-54-.04 entitled "Commissioner's Authority"

By letter dated November 13, 2012, the Office of the Attorney General opined that the proposed regulatory actions are within this office's scope of authority (Record, Exhibit 5).

Pursuant to O.C.G.A. Section 50-13-4(e), the proposed regulatory changes were 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, Exhibit 6) and were assigned accordingly (Record, Exhibit 7).

II. CONSIDERATION OF ALL COMMENTS OFFERED AT THE HEARING

Interested persons were given the opportunity to participate in the proposed rulemaking by submitting their written comments to the Georgia Department of Insurance (the "Department") by November 21, 2012, and by making oral comments at the public hearing held November 27, 2012. No written comments were received. Don Roof, Director of the Insurance

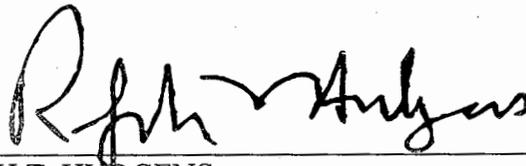
and Financial Oversight Division of the Department, was the only person to offer oral comments at the hearing.

According to Mr. Roof, the proposed regulatory changes would provide the Commissioner with additional standards to consider when determining whether an insurer is in a hazardous financial condition under Georgia law. Moreover, the proposed regulatory changes would clarify the Commissioner's authority to issue a corrective order in the instance in which he finds that such hazardous financial conditions exist. Finally, Mr. Roof asserted that the amendments discussed herein would enable this office to remain in compliance with NAIC accreditation standards. [Transcript, p.6]

III. DECISION

WHEREAS, the Commissioner finds persuasive the comments offered by Mr. Roof regarding the need for the proposed regulatory changes, and **WHEREAS**, no comments were offered in opposition, **IT IS HEREBY ORDERED** that the proposed amendments to Regulation Chapter Sections 120-2-54-.01 through .04, a copy of which is attached hereto and made a part by reference, are **HEREBY ADOPTED**.

Given under my Hand and Seal this 3rd day of January, 2013.



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