

**BEFORE THE COMMISSIONER OF INSURANCE
STATE OF GEORGIA**

IN THE MATTER OF:)	
)	
CHAPTER 120-2-102)	DOCKET NUMBER I-13-I-3
GUARANTEED ASSET PROTECTION)	
WAIVERS)	

ORDER

I. STATEMENT OF PROCEEDINGS

On February 12, 2013, Notice of Intent to Adopt Rule Changes and Notice of Hearing were given regarding the following proposed regulatory actions (Record, Exhibit 1):

- Adding a Regulation Chapter 120-2-102 entitled "Guaranteed Asset Protection Waivers"
- Adding Regulation 120-2-102-.01 entitled "Authority"
- Adding Regulation 120-2-102-.02 entitled "Purpose and Applicability"
- Adding Regulation 120-2-102-.03 entitled "Definition"
- Adding Regulation 120-2-102-.04 entitled "Guaranteed Asset Protection Insurance Requirements"
- Adding Regulation 120-2-102-.05 entitled "General Requirements and Conditions"
- Adding Regulation 120-2-102-.06 entitled "Required Disclosures"
- Adding Regulation 120-2-102-.07 entitled "Cancellation Conditions"
- Adding Regulation 120-2-102-.08 entitled "Exemptions"
- Adding Regulation 120-2-102-.09 entitled "Penalties"
- Adding Regulation 120-2-102-.10 entitled "Severability"

By letter dated February 26, 2013, the Office of the Attorney General opined that the proposed regulation is 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, Exhibit 6). The proposed regulation was assigned accordingly (Record, Exhibit 7).

II. CONSIDERATION OF INTERESTED PARTY COMMENTS

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 March 15, 2013, and by making oral comments at the public hearing held March 19, 2013.

No written comments were submitted. Scott Cipinko, Executive Vice President and Chief Operating Officer of the Consumer Credit Insurance Association, spoke on behalf of that organization in favor of the proposed regulation. He commented that the proposed regulation would be helpful to commerce in this state. (Transcript, pp.7-8)

Joe Murphy, Property and Casualty Analyst with the Department, also spoke in favor of the proposed regulation. According to Mr. Murphy, it is being promulgated primarily as a result of House Bill 1067, which was passed during the 2012 legislative session. That bill amended Title 33, Chapter 63, to exempt qualifying retail motor vehicle installment sellers from state law that would otherwise require them to insure their guaranteed asset protection waiver obligations under a contractual liability policy or other such policy. (Transcript, pp.6-7)

III. DECISION

WHEREAS, this office agrees with the comments offered by Messrs. Murphy and Cipinko in support of the proposed regulation, and **WHEREAS** no comments were offered in opposition to the proposed regulation, **IT IS HEREBY ORDERED** that the proposed regulation entitled "Guaranteed Asset Protection Waiver" a copy of which is attached hereto and made a part by reference, is **HEREBY ADOPTED**.

Given under my Hand and Seal this 17th day of April, 2013.



Ralph T. Hudgens
Insurance and Safety Fire Commissioner
State of Georgia