

SPECIAL INSURANCE FRAUD FUND

Section

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120-2-72-.04 Definitions

For the purposes of this Regulation Chapter, the following words shall be defined as follows:

- (a) “Commissioner” shall mean the Commissioner of Insurance of the State of Georgia; and
- (b) “Special Insurance Fraud Fund” shall mean the fund established by O.C.G.A. §33-1-17 for the purpose of funding the investigation of insurance fraud.

Authority O.C.G.A. Secs. 33-1-17, and 33-2-9. History. Original Rule entitled “Definitions” adopted. F. Feb. 18, 1997; eff. March 10, 1997. Amended: F. Dec. 4, 2008; eff. Dec 24, 2008.

120-2-72-.05 Participation in Fund

(1) On or before July 1 of the year of the approval of the appropriation specified in O.C.G.A. §33-1-17, the Commissioner shall assess each foreign, alien and domestic insurance company doing business in Georgia on the following basis:

- (a) Each insurer whose Georgia written premium is less than \$1,000,000.00, including those insurers whose Georgia written premium is zero or less than zero, will each be assessed a fixed amount not more than the minimum amount assessed an insurer with Georgia written premium of \$1,000,000.00 or more;
- (b) Each insurer whose Georgia written premium is greater than \$40,000,000.00, but less than \$100,000,000.00, an assessment equal to .0045 times the appropriated amount;
- (c) Each insurer whose Georgia written premium is \$100,000,000.00 or more, an

assessment equal to .0075 times the appropriated amount;

(d) Each insurer not included in (a), (b), or (c) above, an assessment shall be computed on a pro-rata basis of the remainder of the appropriation for each insurer whose Georgia written premium is greater than \$1,000,000.00 but less than \$40,000,000.00;

(e) Written premium is premiums written in GEORGIA ONLY, including annuity considerations and is determined prior to reinsurance transactions. Written premium is determined from the most recent annual statement on file with the Commissioner at the time the assessment calculations are made.

(2) Assessments based on the annual appropriation shall be due on September 1 of the year of the assessment.

(3) In the event of a supplemental appropriation, the assessment will be made as soon as practicable after approval of the appropriation, and will be due thirty (30) days after the assessment.

(4) Any assessment levied pursuant to this Regulation Chapter which is not remitted to the Georgia Insurance Department on or before the due date shall be deemed delinquent and subject to a penalty of 10% of the amount owed, together with interest on the principal at the rate of 1% per month, or any part of a month, from the date due until the date paid. Such penalty and interest, if any, shall be transmitted by the Commissioner to the State Treasury and shall not act to increase the funds available for the purposes described in O.C.G.A. §33-1-17.

Authority O.C.G.A. Secs. 33-1-17, and 33-2-9. History. Original Rule entitled “Participation in Fund” adopted. F. Feb. 18, 1997; eff. March 10, 1997.

Amended: ER. 120-2-72-0.15-.05 adopted. F. June 29, 2005; eff. June 29, 2005, the date of adoption. Amended: Permanent Rule adopted. F. June 24, 2005; eff. July 14, 2005. Amended: F. Dec. 4, 2008; eff. Dec. 24, 2008.

120-2-72-.06 Terms and Conditions for Use of Funds

(1) The Commissioner may utilize the funds from the Special Insurance Fraud Fund for the investigation of insurance fraud. For purposes of this Regulation, investigation of insurance fraud shall include but not be limited to investigations carried out under official authority by law enforcement personnel employed by the

Commissioner, and examinations of annual or other required statements by personnel employed or appointed by the Commissioner to identify any false material statement therein. In addition, the Commissioner may utilize a portion of said funds to reimburse prosecuting attorneys for some or all of the costs of retaining assistant prosecuting attorneys to prosecute insurance fraud cases when it is determined by the Commissioner that extraordinary circumstances exist necessitating such reimbursement.

(2) In an effort to spend the funds from the Special Insurance Fraud Fund responsibly and in a manner that will lead to proper and expeditious investigation and prosecution of fraudulent insurance acts, the following conditions apply:

(a) Expenses of independent contractors reimbursed with funds from the Special Insurance Fraud Fund shall be calculated in accordance with Georgia Insurance Department procedures regarding expense accounts;

(b) All items submitted for reimbursement must be fully documented and are subject to audit by the Georgia Insurance Department;

(c) Any independent contractors utilized by the Georgia Insurance Department for the purposes outlined in O.C.G.A. §33-1-17 must receive advance written authorization from the Commissioner before any request for reimbursement will be considered.

Authority: O.C.G.A. Secs. 33-1-17, and 33-2-9. History. Original Rule entitled “Terms and Conditions for Use of Funds” adopted. F. Feb 18, 1997; eff. Mar. 10, 1997. Amended: F. Dec. 4, 2008; eff. Dec. 24, 2008.

120-2-72-.08 Severability

If any provision of this Regulation Chapter or the application thereof to any person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, the remainder of the Regulation Chapter or the applicability of such provision to other persons or circumstances shall not be affected.

Authority of O.C.G.A. Sec. 33-1-17. History. Original Rule entitled “Severability” adopted. F. Feb. 18, 1997; eff. Mar. 10, 1997. Amended: F. Dec. 4, 2008; eff. Dec. 24, 2008.