

**BEFORE THE COMMISSIONER OF INSURANCE**

**STATE OF GEORGIA**

**NOTICE OF INTENT TO ADOPT RULE CHANGES AND NOTICE OF HEARING**

Notice is hereby given pursuant to the Georgia Administrative Procedure Act, O.C.G.A. Sections 50-13-3, 50-13-4, 50-13-6, 50-13-21, and, 33-2-9 of the following proposals by the Commissioner of Insurance to amend the Rules and Regulations of the Office of the Commissioner of Insurance by taking the following actions:

- Amending Regulation 120-2-23-.03 entitled "Forms – General Requirements";
- Amending Regulation 120-2-23-.04 entitled "Forms – Incorporation by Reference, Summaries and Omissions";
- Amending Regulation 120-2-23-.06 entitled "Additional Information and Exhibits";
- Amending Regulation 120-2-23-.07 entitled "Definitions";
- Amending Regulation 120-2-23-.09 entitled "Acquisition of Control – Statement Filing";
- Amending Regulation 120-2-23-.11 entitled "Acquisition of O.C.G.A. Section 33-13-3(a)(1) Insurers";
- Deleting Regulation 120-2-23-.12 entitled "Annual Registration of Insurers – Statement Filing" and adding in lieu thereof Regulation 120-2-23-.12 entitled "Pre-Acquisition Notification";
- Deleting Regulation 120-2-23-.13 entitled "Summary of Registration – Statement Filing" and adding in lieu thereof Regulation 120-2-23-.13 entitled "Annual Registration of Insurers – Filing Statement";
- Deleting Regulation 120-2-23-.14 entitled "Alternative and Consolidated Registrations" and adding in lieu thereof Regulation 120-2-23-.14 entitled "Summary of Registration – Statement Filing";
- Deleting Regulation 120-2-23-.15 entitled "Disclaimers and Termination of Registration" and adding in lieu thereof Regulation 120-2-23-.15 entitled "Alternative and Consolidated Registrations";
- Deleting Regulation 120-2-23-.16 entitled "Transactions Subject to Prior Notice- Notice Filing" and adding in lieu thereof Regulation 120-2-23-.16 entitled "Disclaimers and Termination of Registration";
- Deleting Regulation 120-2-23-.18 entitled "Adequacy of Surplus" and adding in lieu thereof Regulation 120-2-23-.18 entitled "Enterprise Risk Report";
- Deleting Regulation 120-2-23-.19 entitled "Severability Clause" and adding in lieu thereof Regulation 120-2-23-.19 entitled "Extraordinary Dividends and Other Distributions";
- Adding 120-2-23-.20 entitled "Adequacy of Surplus"; and
- Adding 120-2-23-.21 entitled "Severability Clause."

## SYNOPSIS AND EXPLANATION OF PROPOSED RULE CHANGES

The purpose of the proposed regulations is to implement changes to Title 33 of the Georgia Code which resulted from HB 312 passing both chambers of the Georgia General Assembly and being signed into law by the Governor on May 6, 2013. The proposed regulations implement an updated statutory framework designed to expand regulators' supervisory authority concerning affiliated groups within insurance holding company systems. The proposed regulations include requirements that parent companies seeking to divest their interest in an insurance company subsidiary must provide notice to this office at least 30 days prior to the proposed divestiture; that insurer board of directors make certain representations regarding corporate governance and internal control responsibilities in registration statements; and that cost-sharing services and management agreements among affiliated entities are subject to minimum reporting requirements. The full text of the proposed regulations is attached hereto and made a part hereof by reference.

## SCHEDULE

The aforesaid proposed regulations, which are being forwarded to the Attorney General for approval as to legality pursuant to O.C.G.A. Section 33-2-9, are now on file in the Administrative Procedure Division of the Office of Commissioner of Insurance, 1016 West Tower, Floyd Building, Two Luther King, Jr. Drive, Atlanta, Georgia 30334, and are hereby declared to be public record.

Interested persons may participate in the proposed rulemaking process by submitting their written comments to **Vince Wiegand, Administrative Procedure Division, Office of Commissioner of Insurance, 1016 West Tower, Floyd Building, Two Martin Luther King, Jr. Drive, Atlanta, Georgia 30334. All comments must be received by the Administrative Procedure Division by 4:30 p.m. on October 24, 2013.** Interested persons may also participate in the proposed rulemaking by submitting oral comments at the hearing to commence **at 9:00 a.m. on October 29, 2013, in the Hearing Room of the Office of Commissioner of Insurance, Seventh Floor, West Tower, Floyd Building, Two Martin Luther King, Jr. Drive, Atlanta, Georgia 30334.**

Oral presentations at the hearing may be limited to five (5) minutes per person in order to afford all interested persons an opportunity to be heard. If you have a physical impairment and require assistance or have any questions regarding this notice, please contact the Administrative Procedure Division.

Based upon full consideration of all written and oral comments regarding the above matters, the Commissioner of Insurance may reject or adopt the proposed rules or may make changes to the proposed rules which may require another rulemaking hearing.

Given under my Hand and Official Seal this \_\_\_\_\_ day of September, 2013.

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

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