

**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. §§ 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 the following actions:

- Repealing Regulation Section 120-2-78 entitled "Credit For Reinsurance" and adding a new Regulation Section 120-2-78 with the same title;
- Repealing Regulation 120-2-78-.01 entitled "Authority" and adding a new Regulation 120-2-78-.01 with the same title;
- Repealing Regulation 120-2-78-.02 entitled "Purpose" and adding a new Regulation 120-2-78-.02 with the same title;
- Repealing Regulation 120-2-78-.03 entitled "Trust Agreements" and adding a new Regulation 120-2-78-.03 entitled "Severability";
- Repealing Regulation 120-2-78-.04 entitled "Letters of Credit" and adding a new Regulation 120-2-78-.04 entitled "Credit for Reinsurance-Reinsurer Licensed in this State";
- Repealing Regulation 120-2-78-.05 entitled "Other Security" and adding a new Regulation 120-2-78-.05 entitled "Credit for Reinsurance-Accredited Reinsurers";
- Repealing Regulation 120-2-78-.06 entitled "Reinsurance Contract" and adding a new Regulation 120-2-78-.06 entitled "Credit for Reinsurance-Reinsurer Domiciled and Licensed in Another State";
- Repealing Regulation 120-2-78-.07 entitled "Contracts Affected" and adding a new Regulation 120-2-78-.07 entitled "Credit for Reinsurance-Reinsurers Maintaining Trust Funds";
- Repealing Regulation 120-2-78-.08 entitled "Severability" and adding a new Regulation 120-2-78-.08 entitled "Credit for Reinsurance-Certified Reinsurers";
- Repealing Regulation 120-2-78-.09 entitled "Penalties" and adding a new Regulation 120-2-78-.09 entitled "Credit for Reinsurance Required by Law";
- Adding Regulation 120-2-78-.10 entitled "Asset or Reduction from Liability for Reinsurance Ceded to Unauthorized Assuming Insurer Not Meeting the Requirements of Sections 4 through 8";
- Adding Regulation 120-2-78-.11 entitled "Trust Agreements Qualified Under Section 9";
- Adding Regulation 120-2-78-.12 entitled "Letters of Credit Qualified Under Section 9";
- Adding Regulation 120-2-78-.13 entitled "Other Security";
- Adding Regulation 120-2-78-.14 entitled "Reinsurance Contract";
- Adding Regulation 120-2-78-.15 entitled "Contract Affected";
- Adding a form entitled "Form AR-I Certificate of Assuming Insurer";
- Adding a form entitled "Form CR-1 Certificate of Certified Reinsurer";

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- Adding forms entitled "Form CR-F Part I," and "CR-F Part II"; and
- Adding forms entitled "Form CR-S Part I," "Form CR-S Part II" and "Form CR-S Part III."

## SYNOPSIS AND EXPLANATION OF PROPOSED RULE CHANGES

The primary purpose of the proposed changes to Rule and Regulation 120-2-78 is to incorporate NAIC Model Act Number 786 into the Rules and Regulations of the Office of the Commissioner of Insurance. The changes are required to enable this office to retain NAIC accreditation. The full text of the proposed amended Regulation 120-2-78 entitled "Credit for Reinsurance" is attached hereto and made a part hereof by reference."

## SCHEDULE

The aforesaid proposals, 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 Martin Luther King, Jr. Drive, Atlanta, Georgia 30334, and are hereby declared to be a public record as follows:

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 April 12, 2013.** Interested persons may also participate in the proposed rulemaking by submitting oral comments at the hearing to commence on **April 16, 2012 at 9:00 a.m. 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 5<sup>th</sup> day of March 2013.



RALPH T. HUDGENS  
COMMISSIONER OF INSURANCE  
STATE OF GEORGIA

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