

BEFORE THE COMMISSIONER OF INSURANCE

STATE OF GEORGIA

NOTICE OF HEARING AND INTENT TO ADOPT RULE CHANGES

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.

The Rules and Regulations of the Office of the Commissioner of Insurance are proposed to be amended by amending Regulation Sections 120-2-20-.03 entitled “Unlawful Agreements between Insurers and Providers” and 120-2-60-.15 entitled “Internal Audit Function Requirements.”

SYNOPSIS AND EXPLANATION OF PROPOSED RULE CHANGES

The purpose of the proposed amendment to Regulation Section 120-2-20-.03 is to prohibit the inclusion of “upper limit trigger clauses” in agreements between insurers and providers. The full text of the proposed amended Regulation Section is attached and made a part hereof by reference.

The purpose of the proposed amendment to Regulation Section 120-2-60-.15 is to incorporate an NAIC revision of the NAIC’s Model Audit Rule #205. By way of background, the NAIC Model Audit Rule #205 placed internal audit function requirements on large insurers. An “or” instead of an “and” was included by mistake in Model Audit Rule #205. By changing the “or” to an “and” in Regulation Section 120-2-60-.03(1)(a), the proposed amendment would require both premium threshold conditions (legal entity and group) to be met before exempting smaller insurers from Regulation Section 120-2-20-.03. The full text of the proposed amended Regulation Section is attached and made a part hereof by reference.

SCHEDULE

The aforesaid proposal, which is 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 September 25, 2015.** Interested persons may also

participate in the proposed rulemaking by submitting oral comments at **the hearing to commence at 9:00 a.m. on September 29, 2015** 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 20th day of August, 2015.



RALPH T. HUDGENS
COMMISSIONER OF INSURANCE
STATE OF GEORGIA

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