

BEFORE THE COMMISSIONER OF INSURANCE

STATE OF GEORGIA

IN THE MATTER OF:

**CHAPTER 120-2-14
GEORGIA AUTOMOBILE
INSURANCE FUND**

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DOCKET NUMBER I-15-I-8

ORDER

I. STATEMENT OF PROCEEDINGS

On July 24, 2015, a *Notice of Intent to Adopt Rule Changes and Notice of Hearing* was issued regarding the proposed amendments to Regulation Chapter 120-2-14 entitled “Georgia Automobile Insurance Fund.” (Record, Exhibit 1) Four primary purposes of the proposed version of Rule and Regulation 120-2-14 are 1) to lengthen the terms of service of members of the Governing Committee from one to two years, 2) to modify the frequency of meetings of the Governing Committee, 3) to allow subscriber companies serving on the Governing Committee more flexibility when appointing representatives to act on their behalf, and 4) to change the definition of “quorum” for committee voting purposes.

By letter dated August 11, 2015, the Office of the Attorney General opined that the proposed regulation was 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 by August 28, 2015, and by making oral comments at the public hearing held on September 1, 2015. No written comments were received. Steve Manders, Director of the Insurance Product Review Division of this office, was the only person to offer oral comments at the hearing.

According to Mr. Manders, there are multiple benefits to the proposed regulation. By way of background, over the past four or five years, the Governing Committee has had several vacancies. Extending the period of service of committee members from one to two years and allowing greater flexibility in the selection of committee members should reduce the frequency of vacancies. Extending the minimum meeting frequency from once a year to once every two years also appears reasonable in light of the lack of activity of the Governing Committee in recent years and as a cost savings measure. (Transcript, pp. 7-10)

Another proposed amendment concerns how a voting “quorum” is defined. Currently a quorum is simply “a majority of the members present who are eligible to vote.” Therefore, only three of twelve eligible committee members could attend a meeting and the votes of only two of the three present would make decisions binding upon the entire plan. The proposed change would redefine a “quorum” to mean a majority of the members serving on the committee (as opposed to a majority of the members present). (Transcript, pp. 9-10)

III. DECISION

WHEREAS no written or oral comments were offered in opposition to the proposed regulation, and **WHEREAS**, this office finds Mr. Manders’s comments in support of the proposed regulation persuasive, **IT IS HEREBY ORDERED** that Regulation Chapter 120-2-14

titled, "Georgia Automobile Insurance Fund" a copy of which is attached hereto and made a part by reference, is **HEREBY ADOPTED**.

Given under my Hand and Seal this 24th day of September, 2015.



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

