



DIRECTIVE 22-EX-4

TO: ALL INSURANCE COMPANIES, BROKERS, AND AGENTS SELLING,
SOLICITING, OR NEGOTIATING SURPLUS LINE INSURANCE IN THE
STATE OF GEORGIA

FROM: JOHN F. KING
INSURANCE AND SAFETY FIRE COMMISSIONER

DATE: AUGUST 19, 2022

RE: UNAUTHORIZED FEES

It has come to the attention of the Commissioner that surplus line insurers and brokers are collecting fees in violation of the Georgia Unfair Trade Practices Act. The purpose of this Directive is to remind surplus line insurers and brokers that it is unlawful to charge customers added fees in conjunction with the sale of a surplus line insurance policy. With specific exceptions, a surplus line insurer or broker may not collect any sum in excess of the premiums and charges for insurance specified by the insurer in the insurance policy.¹

Pursuant to O.C.G.A. § 33-6-5(6)(B)(ii), collecting any sum in excess of fees specified in the insurance policy would be considered an unfair method of competition and unfair and deceptive act or practice in the business of insurance. The Commissioner is authorized to take action, which includes imposing a monetary penalty of up to \$5,000.00 for each and every act or violation of the Georgia Unfair Trade Practices Act. See O.C.G.A. § 33-6-8. All surplus line insurers and brokers should take notice and govern themselves accordingly.

If you have any questions, please contact the Premium Tax Division at (404) 656-7553 or via email at premiumtax@oci.ga.gov.

JOHN F. KING
INSURANCE AND SAFETY FIRE COMMISSIONER
STATE OF GEORGIA

¹ Georgia law specifically authorizes licensed surplus line brokers to charge and collect applicable state and federal taxes in addition to the premium required by the insurer. See O.C.G.A. 33-6-5(b).