

**RULES AND REGULATIONS OF  
THE INSURANCE COMMISSIONER**

**CHAPTER 120-2  
RULES OF COMMISSIONER OF INSURANCE**

**SUBJECT 120-2-14  
GEORGIA AUTOMOBILE INSURANCE PLAN**

**TABLE OF CONTENTS**

120-2-14-.01 Authority

120-2-14-.02 Purpose

120-2-14-.03 Definitions

120-2-14-.06 Plan composition

120-2-14-.09 Filing of rates, rating systems, rating plans, underwriting rules and policy forms

120-2-14-.10 Statistical agent

120-2-14-.11 Insurers required to provide statistics, data and information to statistical agent

120-2-14-.12 Hearing

120-2-14-.15 Penalties

120-2-14-.16 Severability

**Rule 120-2-14-.01. Authority**

This Regulation is made and promulgated by the Commissioner of Insurance pursuant to the authority set forth in O.C.G.A. Sections 33-2-9 and 40-9-100.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

**Rule 120-2-14-.02. Purpose**

The purpose of this Regulation is:

- (1) to authorize an Automobile Insurance Plan to make automobile insurance, including garage liability insurance. Available to applicants who are in good faith entitled to but are unable to procure policies for such insurance through ordinary methods;
- (2) to authorize the Plan to issue private passenger motor vehicle policies, and commercial motor vehicle policies in the name of the Plan.

(3) to authorize a Governing Committee and a Manager to administer such Plan.

All policies issued pursuant to this section shall be recognized as if issued by an insurance company authorized to issue insurance in this state and shall be considered as proof of financial responsibility in accordance with Title 33.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

### **Rule 120-2-14-.03 Definitions**

- (1) "Applicant" means a person making applications for automobile insurance under this Plan.
- (2) "Automobile" means a vehicle required to be registered under the laws of this State relating to motor vehicles designed primarily for operation upon the public streets, roads and highways and driven by power other than muscle power, including a trailer drawn by or attached to such vehicle.
- (3) "Commissioner" means the Commissioner of Insurance of the State of Georgia.
- (4) "Committee" means Governing Committee of the Georgia Automobile Insurance Plan.
- (5) "Individual" means an officer, employee, agent or committee member or representative of the Plan and may include a partnership, corporation or association.
- (6) "Person" means any individual, partnership, corporation and association and may extend and be applied to bodies politic and corporate.
- (7) "Plan" means the Georgia Automobile Insurance Plan which has been approved and adopted by the Commissioner.
- (8) "Subscriber" means an insurer authorized pursuant to a valid certificate of authority to write automobile liability insurance in this State, and by virtue of such license a participant in the Plan authorized by this Chapter.
- (9) "User of the Plan" means a person licensed to market automobile liability insurance in this State, and by virtue of such license a participant in the Plan authorized by this Chapter.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

### **Rule 120-2-14-.06 Plan composition**

The Committee shall address and include the following items listed in this Rule as integral parts of the Plan:

- (1) Premiums, losses, costs, and expenses shall be equitably apportioned among all subscribers in proportion to each subscriber's percentage of automobile liability insurance written in this State and made available through the Plan;
- (2) The distribution among subscribers of the operational costs of the plan;

- (3) Appropriate notice to all applicants;
- (4) Appropriate assignment period including mandatory renewal features;
- (5) Mandatory removal features;
- (6) Applicability of Plan to nonresidents;
- (7) Payment plans;
- (8) Applicability to licensed and non-licensed vehicles;
- (9) Standards for the issuance of insurance policies;
- (10) Standards for the payment of claims; and
- (11) Standard for the servicing of policies and eligibility standards.

The Committee is authorized to include any other provisions as are necessary and proper for the implementation and operation of this Plan. The Plan shall at all times offer the minimum amounts of insurance coverage as required pursuant to the applicable standards, rules, regulations and laws of Georgia and the United States of America. The Plan and amendments adopted in accordance with this Rule shall be effective on approval in writing by the Commissioner.

A copy of the Plan adopted in accordance with this Rule may be obtained by sending a written request to Automobile Insurance Plans Service Office, 302 Central Avenue, Johnston, Rhode Island 02919. The Plan shall be available for public inspection at the Office of the Commissioner.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

**Rule 120-2-14-.09 Filing of rates, rating systems, rating plans, underwriting rules and policy forms**

- (1) All risks placed through the Plan shall be subject to the rules, rates, surcharges, minimum premiums and classifications filed on behalf of all companies subscribing to this Plan by the Automobile Insurance Plans Service Office.
- (2) For the purpose of such filings, each company subscribing to this Plan is a subscriber to the Automobile Insurance Plans Service Office and authorizes the Commissioner to accept such filings on its behalf.
- (3) Every insurer participating in the Plan shall use the standard policy as filed by the Automobile Insurance Plans Service Office and approved by the Commissioner, or a policy approved by the Commissioner which provides equivalent coverage.

- (4) If the hazard of the risk is greater than that contemplated by the rate normally applicable under the Plan, the carrier shall consult with the Committee before submission to the Commissioner for an increase in such rate.
- (5) All risks underwritten by the Plan shall be afforded pro rata cancellation by a subscriber in each case where a risk is subsequently removed from the Plan and insured in the voluntary market.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

#### **Rule 120-2-14-.10 Statistical agent**

- (1) Statistical agents for the Plan may be established upon approval by the Commissioner, who shall issue an Order authorizing the entity to act as a statistical agent within the State of Georgia. Such statistical agent must be properly licensed and otherwise comply with the Georgia Insurance Code and the applicable Rules and Regulations of the Georgia Insurance Department.
- (2) Statistical agents designated pursuant to paragraph (1) above shall collect and retain for the State of Georgia all statistics, data and other relevant information necessary to affect the equitable distribution of assignments and the establishments of Plan rates and shall file with the Commissioner for his approval a statistical plan by which assignments are effected and rates are established.
- (3) Such data, statistics and all other relevant information collected under paragraph (2) above, and all statistics and information resulting from the use of such data, in manual or automated form, shall be and remain the property of the State of Georgia.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

#### **Rule 120-2-14-.11 Insurers required to provide statistics, data and information to statistical agent**

As a condition to continuing to transact insurance in the State of Georgia, every insurer participating in the Plan shall provide to the authorized statistical agent, either directly or indirectly, all statistics, data and other relevant information necessary to effectuate the equitable apportionment of premiums, losses, costs and expenses, and the establishment of Plan rates.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

#### **Rule 120-2-14-.12 Hearing**

Any person aggrieved by any act, threatened act, or failure of the Commissioner to act under this Chapter may make written demand for a hearing in accordance with O.C.G.A. Chapter 33-2.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

**Rule 120-2-14-.15 Penalties**

Any subscriber failing to comply with the requirements of this Regulation shall be subject to such penalties as prescribed in O.C.G.A. Chapters 33-2 and 33-3.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**

**Rule 120-2-14-.16 Severability**

If any provision of this Regulation, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of the Regulation or the applicability of such provision to other persons or circumstances shall not be affected.

**Authority: O.C.G.A. §§ 33-2-9, 40-9-100.**