

**Members of the Senate Insurance and Labor Committee  
2014 Session**

**Senator Tim Golden, Chairman**

**District 8**

110 Beacon Hill  
Valdosta, GA 31602  
Phone: (229) 241-1284

**Senator David Shafer, Vice Chairman**

**District 48**

P.O. Box 880  
Duluth, GA 30096  
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**Senator Judson Hill, Secretary**

**District 32**

3102 Raines Court  
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**Senator Charlie Bethel**

**District 54**

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**Senator Ed Harbison**

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**Senator Burt Jones**

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**Senator Joshua McKoon**

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**Senator Ronald Ramsey, Sr.**

**District 43**

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**Senator Renee Unterman**

**District 45**

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**RULES**  
**SENATE INSURANCE AND LABOR COMMITTEE**  
2013-2014

1. Quorum of the Committee shall be five (5) members.
2. The Chairman shall determine the agenda of the bills and resolutions to be considered and the order in which they are called.
3. The Chairman shall have the authority to refer bills and resolutions to subcommittees for study. Such subcommittees shall have the authority to make recommendations to the full committee. All actions of any subcommittee shall be approved or disapproved by the standing committee.
4. The Committee shall convene, recess, and adjourn upon the order of the Chairman. Notice of meetings shall conform to Senate Rules.
5. Committee Rules may be amended upon motion duly made and subsequently approved by two-thirds of the members of the Committee.
6. A bill, resolution or other matter shall be considered only after presentation by its principal author or legislator who he/she designates to do so. In the event that more than one member of the General Assembly has signed a measure, the principal author shall be the one whose name appears first in the list of authors.
7. Where Rules are silent on specific issues, the Rules of the Senate, as adopted, shall govern.

**MINUTES OF THE SENATE INSURANCE AND LABOR COMMITTEE**  
**Thursday, January 23, 2014**

The Senate Insurance and Labor Committee held its first meeting of the 2014 Session on Thursday, January 23, in the Senate Mezzanine. Chairman Golden, 8<sup>th</sup>, called the meeting to order at 1:15 pm. Members present at the meeting were as follows:

Senator Tim Golden, 8<sup>th</sup>, Chairman  
Senator David Shafer, 48<sup>th</sup>, Vice Chairman  
Senator Charlie Bethel, 54<sup>th</sup>  
Senator Burt Jones, 25<sup>th</sup>  
Senator Josh McKoon, 29<sup>th</sup>

**NOTE:** Senators Hill, 32<sup>nd</sup>, Harbison, 15<sup>th</sup>, Ramsey, 43<sup>rd</sup>, and Unterman 45<sup>th</sup>, were absent from the meeting.

Chairman Golden called the meeting to order. He welcomed and recognized Ralph Hudgens, Insurance Commissioner, to open the meeting with prayer.

**NOTE:** Senator Shafer, 48<sup>th</sup>, arrived at the meeting.

**HB 375 (Williamson, 115<sup>th</sup>) Insurance; cancellations under certain circumstances relating to policy terms that permit an audit or rate investigation and noncompliance by insured; provide**

**Representative Williams, 115<sup>th</sup>**, presented a substitute to *HB 375* to the committee which simply changed the effective date on the recommitted bill. The following summary was shared with the Committee:

**Cancellation of Insurance Policies**

**SUMMARY**

Allows an insurer to cancel a policy under certain circumstances relating to policy terms that permit an audit and noncompliance by the insured.

**ANALYSIS**

In lieu of existing cancellation provisions in state law, if the terms of a policy permit an audit and the insured fails to submit to or allow an audit for the current or most recently expired term, the insurer may send a written notice of cancellation to the insured at least ten days prior to the effective date of cancellation. However, the insurer must first make two documented efforts to notify the policyholder and the policyholder's agent of the potential cancellation, via certified mail, and no cancellation notice can be mailed within 20 days of the first documented effort.

Chairman Golden, 8<sup>th</sup>, recognized the following with supporting testimony:

**Jay Florence**, Department of Insurance  
**Steve Manders**, Department of Insurance

**NOTE:** Senator Bethel, 54<sup>th</sup>, arrived at the meeting.

Chairman Golden, 8<sup>th</sup>, asked if there was any opposition to the legislation. Seeing there was none, he asked for a motion on **HB 375**. Senator Shafer, 48<sup>th</sup>, moved **HB 375 Do Pass by Substitute**. Senator Bethel, 54<sup>th</sup>, seconded the motion. **HB 375** passed unanimously by substitute (5-0).

### **HB 375 DO PASS BY SUBSTITUTE**

**NOTE:** Yeas were Golden, Shafer, Bethel, Jones, and McKoon.

**NOTE:** The Senate sponsor was Senator Jones, 25<sup>th</sup>.

**HB 229** (Teasley, 37<sup>th</sup>) **Insurance; removing the insurer annual publication requirement; provide**

**Representative Teasley, 37<sup>th</sup>**, presented **HB 229** and the following summary was shared with the committee:

#### **Property and Casualty Insurers**

##### **ANALYSIS**

Under current law, each property and casualty insurer is required to submit an annual report to the Commissioner detailing its direct writing in Georgia. This legislation no longer requires this to be done statutorily, and instead allows the Commissioner to require the reports by rule or regulation.

Chairman Golden, 8<sup>th</sup>, recognized the following with supporting testimony:

**Jay Florence**, Department of Insurance  
**Steve Manders**, Department of Insurance

Chairman Golden, 8<sup>th</sup>, asked if there was any opposition to the legislation. Seeing there was none, he asked for a motion on **HB 229**. Senator McKoon, 29<sup>th</sup>, moved **HB 229 Do Pass**. Senator Bethel, 54<sup>th</sup>, seconded the motion. **HB 229** passed (5-0).

### **HB 229 DO PASS**

**NOTE:** Yeas were Golden, Shafer, Bethel, Jones, and McKoon.

**NOTE:** The Senate sponsor was Senator Jones, 25<sup>th</sup>.

With no further business, Chairman Golden adjourned the meeting at 1:20 p.m.

Respectfully submitted,

/s/ Senator Tim Golden, 8<sup>th</sup>, Chairman

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE INSURANCE AND LABOR COMMITTEE**  
**Thursday, February 6, 2014**

The Senate Insurance and Labor Committee held its second meeting of the 2014 Session on Thursday, February 6, 2014, in the Senate Mezzanine. Chairman Golden, 8<sup>th</sup>, called the meeting to order at 1:03 pm. Members present at the meeting were as follows:

Senator Tim Golden, 8<sup>th</sup>, Chairman  
Senator Charlie Bethel, 54<sup>th</sup>  
Senator Ed Harbison, 15<sup>th</sup>  
Senator Burt Jones, 35<sup>th</sup>  
Senator Ronald Ramsey, 43<sup>rd</sup>

**NOTE:** Senators Shafer, 48<sup>th</sup>, Hill, 32<sup>nd</sup>, McKoon, 29<sup>th</sup>, and Unterman 45<sup>th</sup>, were absent from the meeting.

**SB 325 (Albers, 56<sup>th</sup>) Fire and Protection Safety; regulation of fire protection sprinkler contractors, fire extinguisher and suppression systems; provisions**

Senator John Albers, 56<sup>th</sup>, presented *SB 325* and the following summary was shared with the committee:

**Fire Protection Sprinkler Contractors and Fire Suppression Contractors**

**SUMMARY**

- Strengthens provisions regulating fire protection sprinkler contractors and fire suppression contractors.

**ANALYSIS**

This legislation strengthens provisions regulating fire protection sprinkler contractors and fire suppression contractors. Significant changes include:

- Violations may now constitute grounds for refusal of an application for a contractor license, certificate, or permit;
- Prior to subjecting any person or entity to a fine, the Insurance Commissioner must give written notice by hand delivery or by registered or certified mail of the existence of the violations. After a reasonable period of time after notice is given, a cease and desist order may be issued;
- Under current law, a third and subsequent violation results in a fine between \$2,000 and \$5,000 for each day a violation persists. This legislation imposes a one-time fine between \$2,000 and \$5,000; and
- Additional grounds for revocation, suspension, refusal, or nonrenewal of certificates or licenses now include:
  - Installed, serviced, modified, altered, inspected, maintained, added to, or tested a water-based fire protection system without a current, valid license or certificate;
  - Made a material misstatement or misrepresentation or committed a fraud in obtaining or attempting to obtain a license or certificate; or

- Failed to notify the Commissioner, in writing, within 30 days after a change of residence, principal business address, or name.

Chairman Golden, 8<sup>th</sup>, asked if there were any questions from the committee. Senator Ramsey, 43<sup>rd</sup>, asked for clarification of the wording “reasonable period.” Senator Albers, 56<sup>th</sup>, asked **Jay Florence**, Georgia Office of Insurance and Fire Safety, to respond to committee questions. Mr. Florence stated that the “reasonable period” of response was left up to the discretion of the Commissioner of Insurance because some cases might not be as serious as other cases. Senator Bethel, 54<sup>th</sup>, asked for clarification on what problem this legislation was trying to fix. Mr. Florence stated that there were a few companies who were inspecting without a license. The Commissioner’s office sent cease and desist letters but the companies ignored the letters. The Commissioner went to the Attorney General’s Office for assistance and it was determined that the Insurance Commissioner did not have the legal authority to see action against these companies. The purpose of this legislation was to give them that authority.

The State Fire Marshal was recognized and offered support for this legislation.

Chairman Golden asked for a motion on **SB 325**. Senator Jones, 25<sup>th</sup>, moved **SB 325 Do Pass**. Senator Ramsey, 43<sup>rd</sup>, seconded the motion. This legislation passed unanimously (5-0).

**SB 325 DO PASS**

**NOTE:** Yeas were Golden, Bethel, Harbison, Jones and Ramsey.

With no further business, Chairman Golden adjourned the meeting at 1:20 p.m.

Respectfully submitted,

/s/ Senator Tim Golden, 8<sup>th</sup>, Chairman

/s/ Laurie Sparks, Recording Secretary

**OFFICE OF THE LIEUTENANT GOVERNOR**

240 State Capitol  
Atlanta, Georgia 30334

Casey Cagle  
Lieutenant Governor

February 20, 2014

Mr. David Cook  
Secretary of the Senate  
353 State Capitol  
Atlanta, GA 30334

Dear David:

In accordance with the Senate Rules, the Committee on Assignments hereby appoints Senator Dean Burke to serve as Ex-Officio for the Senate Insurance and Labor Committee meeting on February 20, 2014. This appointment shall expire upon the adjournment of the committee meeting.

Sincerely,

/s/ Casey Cagle  
President of the Senate

**MINUTES OF THE SENATE INSURANCE AND LABOR COMMITTEE**  
**Thursday, February 20, 2014**

The Senate Insurance and Labor Committee held its third meeting of the 2014 Session on Thursday, February 20, 2014, in the Senate Mezzanine. Chairman Golden, 8<sup>th</sup>, called the meeting to order at 2:11 pm. Members present at the meeting were as follows:

Senator Tim Golden, 8<sup>th</sup>, Chairman  
Senator David Shafer, 48<sup>th</sup>, Vice Chairman  
Senator Judson Hill, 32<sup>nd</sup>, Secretary  
Senator Charlie Bethel, 54<sup>th</sup>  
Senator Ed Harbison, 15<sup>th</sup>  
Senator Burt Jones, 35<sup>th</sup>  
Senator Josh McKoon, 29<sup>th</sup>

**NOTE:** Senators Ramsey, 43<sup>rd</sup>, and Unterman 45<sup>th</sup>, were absent from the meeting.

**NOTE:** Senator Dean Burke, 11<sup>th</sup>, served as Ex-Officio for this meeting to help keep the quorum if necessary.

Chairman Golden welcomed Lt. Governor Casey Cagle who asked to speak briefly to the committee in show of his personal support of **SB 397**. The Lt. Governor congratulated Senator Golden and the members of the committee on the dedicated and determined effort to develop supportable compromise legislation that would help so many children and their families in the state of Georgia who have been affected by Autism.

**SB 397 (Golden, 8<sup>th</sup>) Autism; provide for certain insurance coverage of autism spectrum disorders; definitions; limitations; premium cap**

Chairman Golden, 8<sup>th</sup>, presented a substitute to **SB 397** and the following summary was shared with the members of the committee:

**Required Coverage for Autism Spectrum Disorders (ASDs)**

**SUMMARY**

- Requires insurers to cover children six years of age or younger who are diagnosed with an ASD. Such coverage may be capped at \$35,000 annually.
- After the first year of this legislation's effective date, this legislation exempts any insurer from this mandate for one year if that insurer can actuarially demonstrate that the mandate would lead to an increase in average premiums charged of more than 1 percent for all policies commencing on inception or the next renewal date.
- This mandate does not apply to any policy offered by any employer with 10 or fewer employees.

**ANALYSIS**

This legislation requires all individual health insurance policies to provide coverage for ASDs for children six years of age and under in accordance with the following:

- The policy must provide coverage for any assessments, evaluations, or tests by a physician or psychologist to diagnose whether an individual has an ASD;
- The policy must provide coverage for the treatment of ASDs when it is determined by a physician or psychologist that the treatment is medically necessary. The physician or psychologist may be required annually to demonstrate ongoing medical necessity for coverage;
- The policy must not include any limits on the number of visits;
- The policy may limit coverage for applied behavior analysis (ABA) to \$35,000.00 per year; and
- This legislation does not require coverage for prescription drugs if prescription drug coverage is not provided by the policy or contract.

#### Exemptions

An insurer may be exempt from this legislation if it can actuarially demonstrate that:

- For the most recent experience period of at least one year's duration, the costs associated with coverage of ABA treatment exceeded 1 percent of the premiums charged over the experience period by the insurer; and
- Those costs solely would lead to an increase in average premiums charged of more than 1 percent for all policies commencing on inception or the next renewal date.

The exemption will apply for a one-year coverage period following inception or next renewal date of all insurance policies issued or renewed during the one-year period following the date of the exemption, after which the insurer must again provide coverage for ABA. An insurer may claim an exemption for a subsequent year only if the conditions specified in this legislation are met again.

This mandate will not be required to be included in any health plans offered through the health exchange. Additionally, this mandate does not apply to any policy offered by any employer with 10 or fewer employees.

Testimony in support of the legislation was given by the following:

**Jamila Pope**, Marcus Autism Center  
**Senator Tommie Williams**, 19<sup>th</sup>  
**Callie Michael** and **Judith Ursitti**, Autism Speaks  
**Senator John Albers**, 56<sup>th</sup>

Testimony in opposition to the legislation was given by the following:

**Kyle Jackson**, NFIB  
**Allen Hayes** and **Graham Thompson**, AHIP

**NOTE:** Senator Shafer, 48<sup>th</sup>, left to attend another meeting.

Chairman Golden asked for a motion on **SB 397**. Senator McKoon, 29<sup>th</sup>, moved **SB 397 Do Pass by Substitute**. Senator Bethel, 54<sup>th</sup>, seconded the motion. This bill passed unanimously (6-0).

### **SB 397 DO PASS BY SUBSTITUTE**

**NOTE:** Yeas were Hill, Bethel, Harbison, Jones, McKoon and Burke.

Chairman Golden, 8<sup>th</sup>, recognized Senator Bethel, 54<sup>th</sup>, to give his Subcommittee Report. The following information was shared with the committee:

**SB 281** (Hill, 32<sup>nd</sup>) **State Employees; require a high deductible health care plan with health savings account; offered as an option – Do Pass**

**SB 304** (Stone, 23<sup>rd</sup>) **Continuing Care Providers and Facilities; provide for continuing care at home; define certain terms – Do Pass with some concerns from Senator Burke, 11<sup>th</sup>.**

**SR 747** (Ligon, 3<sup>rd</sup>) **Biggert-Waters Flood Insurance Reform Act of 2012; encourage the repeal or amendment – Do Pass**

Chairman Golden, 8<sup>th</sup>, recognized Senator Carter, 1<sup>st</sup>, to present **SR 747** on behalf of Senator Ligon, 3<sup>rd</sup>, who was at another meeting in the Capitol.

**SR 747** (Ligon, 3<sup>rd</sup>) **Biggert-Waters Flood Insurance Reform Act of 2012; encourage the repeal or amendment**

The following summary was shared with the Committee:

### **Biggert-Waters Flood Insurance Reform Act of 2012**

#### **SUMMARY**

- Urges Congress to enact legislation to repeal or amend the Biggert-Waters Flood Insurance Reform Act of 2012.

#### **ANALYSIS**

In July 2012, the United States Congress passed the Biggert-Waters Flood Insurance Reform Act of 2012 which directs the Federal Emergency Management Agency (FEMA), and other agencies, to make a number of changes to the way the National Flood Insurance Program is operated. However, FEMA's poor implementation, failure to do an affordability study, inaccurate mapping, and incomplete data have all led to unreasonable increases in flood insurance premiums.

This resolution urges Congress to enact legislation to repeal or amend the Biggert-Waters Flood Insurance Reform Act so as to make flood insurance more affordable for working families, individuals, and businesses, and eliminate the negative economic impact on home owners, the real estate market, the banking industry, and countless local and state economies.

There was no testimony for or against the legislation. Chairman Golden, 8<sup>th</sup>, asked for a motion. Senator McKoon, 29<sup>th</sup>, moved **SR 747 Do Pass**. Senator Bethel, 54<sup>th</sup>, seconded the motion. This bill passed unanimously (6-0).

### **SR 747 DO PASS**

**NOTE:** Yeas were Hill, Bethel, Harbison, Jones, McKoon and Burke.

### **SB 334 (Carter, 1<sup>st</sup>) "The Georgia Health Care Freedom and ACA Noncompliance Act"**

**Senator Carter, 1<sup>st</sup>**, presented a substitute for **SB 334** and the following summary was shared with the committee:

#### **“The Georgia Health Care Freedom and ACA Noncompliance Act”**

#### **SUMMARY**

Prohibits the state and any local government from participating in the ACA.

#### **ANALYSIS**

This legislation prohibits all powers, assets, officers, employees, agents, or contractors of the state and any local government from assisting or implementing any provision of the Affordable Care Act. The Georgia General Assembly is empowered to enact sanctions, fines, or penalties to ensure compliance with this legislation. This legislation also prohibits state and local governments from establishing a health care exchange or participating in the purchase of insurance from such exchange unless approved by an Act of the General Assembly.

The Attorney General is authorized to bring suit to enjoin any person or entity from violating this legislation and is also required to establish procedures for providing advisory opinions as to whether contemplated actions by persons or entities would violate this legislation.

If any employee chooses to opt out of a state or local government health plan to purchase health insurance through an exchange, no state funds or funds allocated to local governments may be used to pay any penalties, taxes, or other sanctions imposed under the ACA unless approved by an Act of the General Assembly.

### **Exceptions**

Any provision of the ACA in which the state or any local government is implementing, participating, or receiving or appropriating funding on the effective date of this legislation, which would otherwise be prohibited under this legislation, may nevertheless continue in effect until July 1, 2015. On and after that date, however, this legislation will apply, unless such items are authorized by an Act of the General Assembly.

Nothing in this legislation applies to the regulation and licensing of insurance navigators found in Article 3 of Chapter 23 of Title 33.

Nothing in this legislation applies to the regulation of rates, rate filings, investigations, and administrative or judicial proceedings regarding health care insurers by the Insurance Commissioner.

The following signed up in support of the legislation:

**Carolyn Cosley** and **Jane Yarber**, Georgians for Healthcare Freedom

There were some clarifying questions from the Committee. Senator Harbison, 15<sup>th</sup>, was recognized to voice his opposition to the legislation and to respectfully tell the author he would not be casting a vote in support.

Chairman Golden, 8<sup>th</sup>, asked for a motion on **SB 334**. Senator Hill, 32<sup>nd</sup>, moved **SB 334 Do Pass by Substitute**. Senator McKoon, 29<sup>th</sup>, seconded the motion. This bill passed (5-1).

### **SB 334 DO PASS BY SUBSTITUTE**

**NOTE:** Yeas were Hill, Bethel, Jones, McKoon and Burke. Nay vote was Harbison.

Chairman Golden, 8<sup>th</sup>, tabled the following legislation:

**SB 281 (Hill, 32<sup>nd</sup>) State Employees; require a high deductible health care plan with health savings account; offered as an option**

### **SB 281 TABLED IN COMMITTEE**

Chairman Golden, 8<sup>th</sup>, recognized Senator Hill, 32<sup>nd</sup>, to present **SB 98**.

**SB 98 (Hill, 32<sup>nd</sup>) "Federal Abortion Mandate Opt-out Act"**

**Senator Hill, 32<sup>nd</sup>**, presented a substitute to **SB 98** to the committee and the following summary was shared:

## **Abortion Coverage Prohibited**

### **SUMMARY**

- Prohibits health plans offered through a state or federal health exchange within Georgia from providing abortion coverage except in the case of a medical emergency.
- Prohibits the State Health Benefit Plan from offering coverage for abortion services except in the case of a medical emergency.

### **ANALYSIS**

This legislation prohibits health plans offered through a state or federal health exchange within Georgia, as well as the State Health Benefit Plan, from offering abortion coverage except in the case of a medical emergency.

"Abortion" is defined as the use or prescription of any instrument, medicine, drug, or any other substance or device with the intent to terminate the pregnancy of a female known to be pregnant. The term "abortion" does not include the use or prescription of any instrument, medicine, drug, or any other substance or device employed solely to increase the probability of a live birth, to preserve the life or health of the child after live birth, or to remove a dead unborn child who died as the result of a spontaneous abortion. The term "abortion" also does not include the prescription or use of contraceptives.

"Medical emergency" is defined as any condition which, in reasonable medical judgment, so complicates the medical condition of a pregnant female as to necessitate the immediate abortion of her pregnancy to avert her death or for which a delay will create serious risk of substantial or irreversible impairment of a major bodily function of the pregnant woman or death of the unborn child. No such condition will be deemed to exist if it is based on a diagnosis or claim of a mental or emotional condition of the pregnant woman or that the pregnant woman will purposefully engage in conduct which she intends to result in her death or in substantial and irreversible physical impairment of a major bodily function.

This legislation also authorizes the General Assembly to appoint one or more of this bill's sponsors to intervene as a matter of right in any case in which the bill's constitutionality is challenged.

Testimony in opposition was given by **Regina Willis**, citizen of the State of Georgia.

Testimony in support of the legislation was given by **Mary Boyert**, Catholic Archdiocese of Atlanta.

Chairman Golden, 8<sup>th</sup>, asked for a motion on **SB 98**. Senator McKoon, 29<sup>th</sup>, moved **SB 98 Do Pass by Substitute**. Senator Bethel, 54<sup>th</sup>, seconded the motion. This legislation passed (5-1).

**SB 98 DO PASS BY SUBSTITUTE**

**NOTE:** Yeas were Hill, Bethel, Jones, McKoon and Burke. Nay vote was Harbison.

With no further business, Chairman Golden adjourned the meeting at 3:12 p.m.

Respectfully submitted,

/s/ Senator Judson Hill, 32<sup>nd</sup>, Secretary

/s/ Laurie Sparks, Recording Secretary

**OFFICE OF THE LIEUTENANT GOVERNOR**

240 State Capitol  
Atlanta, Georgia 30334

Casey Cagle  
Lieutenant Governor

February 25, 2014

Mr. David Cook  
Secretary of the Senate  
353 State Capitol  
Atlanta, GA 30334

Dear David:

In accordance with the Senate Rules, the Committee on Assignments hereby appoints Senator Dean Burke to serve as Ex-Officio for the Senate Insurance and Labor Committee meeting on February 25, 2014. This appointment shall expire upon the adjournment of the committee meeting.

Sincerely,

/s/ Casey Cagle  
President of the Senate

**MINUTES OF THE SENATE INSURANCE AND LABOR COMMITTEE**  
**Thursday, February 25, 2014**

The Senate Insurance and Labor Committee held its fourth meeting of the 2014 Session on Tuesday, February 25, 2014, in 450 CAP. Chairman Golden, 8<sup>th</sup>, called the meeting to order at 9:15 am. Members present at the meeting were as follows:

Senator Tim Golden, 8 <sup>th</sup> , Chairman	
Senator David Shafer, 48 <sup>th</sup> , Vice Chair	Senator Ed Harbison, 15 <sup>th</sup>
Senator Judson Hill, 32 <sup>nd</sup> , Secretary	Senator Burt Jones, 35 <sup>th</sup>
Senator Charlie Bethel, 54 <sup>th</sup>	Senator Josh McKoon, 29 <sup>th</sup>
Senator Ronald Ramsey, 43 <sup>rd</sup>	Senator Renee Unterman, 45 <sup>th</sup>

**NOTE:** Senator Dean Burke, 11<sup>th</sup>, served as Ex-Officio for this meeting to help keep the quorum if necessary.

Chairman Golden, 8<sup>th</sup>, stated he was adding **SB 304** to the agenda.

**SB 304 (Stone, 23<sup>rd</sup>)** Continuing Care Providers and Facilities; provide for continuing care at home; define certain terms

**Senator Stone, 23<sup>rd</sup>**, presented a substitute to **SB 304** and the following summary was shared with the committee:

**Continuing Care at Home**

**SUMMARY**

Allows continuing care providers to offer continuing care at home and continuing care in which the resident purchases a resident owned living unit as part of a continuing care agreement.

**ANALYSIS**

This legislation allows continuing care providers to offer continuing care at home and continuing care in which the resident purchases a resident owned living unit as part of a continuing care agreement.

“Continuing care agreement” is defined as a contract agreement to provide continuing care, limited continuing care, or continuing care at home. Such agreements include agreements to provide care for any duration, including agreements that are terminable by either party.

“Continuing care at home” is defined as furnishing services pursuant to a continuing care agreement at a home other than a home located at a facility and which includes the obligation to provide nursing care, assisted living care, or personal care home services. Such agreements may include an obligation of lodging or food.

A “resident owned living unit” is defined as a residence or apartment, the purchase or sale of which is not included in an entrance fee, which is a component part of a facility, and the resident has an individual real property ownership interest.

Providers of continuing care at home, that DCH considers to be home health agencies, are subject to all Certificate of Need (CON) rules and regulations, but such providers are not considered a component of the continuing care retirement community for purposes of CON.

This legislation also amends the current provisions that require each facility to maintain, as public information, a copy of its current and previous disclosure statements that have been filed with the state.

Chairman Golden, 8<sup>th</sup>, asked Senator Bethel, 54<sup>th</sup>, to share the subcommittee report and to present amendment language to the committee substitute that would provide for a repeal at a certain date. Chairman Golden, 8<sup>th</sup>, suspended further discussion on **SB 304** to allow Senator Bethel, 54<sup>th</sup>, to work out further amendment language with Senator Stone, 23<sup>rd</sup>.

**NOTE:** Senator Bethel left the meeting with Senator Stone.

**NOTE:** Senator Unterman, 45<sup>th</sup>, arrived at the meeting.

**SB 281 (Hill, 32<sup>nd</sup>) State Employees; require a high deductible health care plan with health savings account; offered as an option**

**Senator Hill, 32<sup>nd</sup>**, presented **SB 281** to the committee and stated that this legislation simply would require the State Health Benefit plan to offer at least one high deductible health plan paired with a health savings account.

There was no testimony for or against the legislation.

**NOTE:** Senator Bethel and Senator Stone returned to the meeting.

After several clarifying questions from the committee, Chairman Golden, 8<sup>th</sup>, asked for a motion on the legislation. Senator Jones, 25<sup>th</sup>, moved **SB 281 Do Pass**. Senator Harbison, 15<sup>th</sup>, seconded the motion. This legislation passed unanimously (7-0).

**SB 281 DO PASS**

**NOTE:** Yeas were Shafer, Bethel, Harbison, Hill, Jones, McKoon, and Unterman.

Noting that Senator Bethel, 54<sup>th</sup>, had returned to the meeting, Chairman Golden, 8<sup>th</sup>, continued the hearing on **SB 304**. Senator Bethel stated that they had worked out the issues on the substitute and that it was ready for a motion from the committee. Chairman Golden, 8<sup>th</sup>, stated that public testimony on the bill had taken place in subcommittee. After a few clarifying statements and questions from the committee, Chairman Golden,

8<sup>th</sup>, asked for a motion on the legislation. Senator Bethel, 54<sup>th</sup>, moved that ***SB 304 Do Pass by Substitute***. Senator Hill, 32<sup>nd</sup>, seconded the motion. The motion passed unanimously (7-0). Chairman Golden, 8<sup>th</sup>, then asked for a motion on the amendment language. Senator Hill, 32<sup>nd</sup>, moved that the substitute to ***SB 304*** be amended by the committee to create a new substitute. Senator Unterman, 45<sup>th</sup>, seconded the motion to amend. This legislation passed unanimously by committee substitute (7-0).

#### **SB 304 DO PASS BY SUBSTITUE**

**NOTE:** Yeas on both motions were Shafer, Hill, Bethel, Harbison, Jones, McKoon, and Unterman.

#### **SB 379 (Hill, 32<sup>nd</sup>) Motor Vehicles; failure to use safety belts may be considered evidence of causation and negligence**

**Senator Hill, 32<sup>nd</sup>**, presented ***SB 379*** to the committee and stated that this legislation would provide that the failure of an occupant of a passenger vehicle to use safety belts could be considered evidence of causation, negligence, or contributory negligence.

**NOTE:** Senator Shafer left the meeting. Senator Ramsey arrived.

The following gave supporting testimony:

**Todd Edwards**, ACCG

**Rusi Patel**, GMA

**Bobby Potter**, State Farm Insurance

The following gave opposing testimony:

**Jason Rooks**, GTLA

Following a few clarifying questions from the committee, Chairman Golden, 8<sup>th</sup>, asked for a motion on the legislation. Senator Bethel, 54<sup>th</sup>, moved ***SB 379 Do Pass***. Senator Jones, 25<sup>th</sup>, seconded the motion. This legislation passed (4-3).

#### **SB 379 DO PASS**

**NOTE:** Yeas were Hill, Bethel, Jones, and Unterman. Nays were McKoon, Harbison and Ramsey.

With no further business, Chairman Golden adjourned the meeting at 10:12 a.m.

Respectfully submitted,

/s/ Senator Judson Hill, 32<sup>nd</sup>, Secretary

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE INSURANCE AND LABOR COMMITTEE**  
**Thursday, March 6, 2014**

The Senate Insurance and Labor Committee held its fifth meeting of the 2014 Session on Thursday, March 6, 2014, in the Senate Mezzanine. Chairman Tim Golden called the meeting to order at 1:45 p.m. Members present at the meeting were as follows:

Senator Tim Golden, 8<sup>th</sup>, Chairman  
Senator David Shafer, 48<sup>th</sup>, Vice Chairman  
Senator Charlie Bethel, 54<sup>th</sup>  
Senator Ed Harbison, 15<sup>th</sup>  
Senator Burt Jones, 35<sup>th</sup>  
Senator Josh McKoon, 29<sup>th</sup>  
Senator Ronald Ramsey, 43<sup>rd</sup>

**NOTE:** Senators Hill, 32<sup>nd</sup>, and Unterman, 45<sup>th</sup>, were absent presenting legislation in House Committees.

**HB 849 (Maxwell, 17<sup>th</sup>) Insurance; excess wear and use waivers shall not be construed as insurance; provide**

**Representative Maxwell, 17<sup>th</sup>**, presented **HB 849** and the following summary was shared with the committee:

**Excess Wear and Use Waivers**

**SUMMARY**

Provides a framework within which excess wear and use waivers are defined and may be offered within this state.

**ANALYSIS**

This legislation provides a framework within which excess wear and use waivers are defined and may be offered within this state. Under this legislation, excess wear and use waivers are not considered insurance and are treated under Georgia law in the same manner as guaranteed asset protection waivers.

An excess wear and use waiver is defined as a contractual agreement wherein a creditor agrees for a separate charge to cancel or waive all or part of the excess wear and use charges owed by the borrower to the creditor under the lease contract when the borrower returns a leased vehicle to the creditor at termination of the lease, which agreement must be part of, or a separate addendum to, the lease contract.

There was no testimony for or against the legislation. Chairman Golden asked for a motion and Senator Bethel, 54<sup>th</sup>, moved **HB 849 Do Pass**. Senator Jones, 25<sup>th</sup>, seconded the motion. This bill passed (4-1).

**HB 849 DO PASS**

**NOTE:** Yeas were Bethel, Harbison, Jones, and McKoon. Nay vote was Ramsey.

**NOTE:** Senator Thompson, 14<sup>th</sup>, agreed to be the Senate sponsor.

**NOTE:** Senator Shafer, 48<sup>th</sup>, arrived at the meeting.

**HB 840** (Golick, 40<sup>th</sup>) Insurance; persons under authority of Commissioner and subject to penalties under Title 33; clarify

**Representative Golick, 40<sup>th</sup>**, presented ***HB 840*** and the following summary was shared with the committee:

### **Insurance Professions**

#### **ANALYSIS**

This legislation clarifies current law by using general terminology to reference licensed professions regulated by the Insurance Commissioner, instead of listing them individually.

Testimony in support of the legislation was given by **Jay Florence**, Georgia Department of Insurance.

Chairman Golden, 8<sup>th</sup>, recognized Senator Shafer, 48<sup>th</sup>, with an amendment that would take out the words “or registered” on line 15 and line 19. Before voting on the amendment, Chairman Golden asked for a motion on the legislation. Senator Shafer, 48<sup>th</sup>, moved ***HB 840 Do Pass***. Senator Bethel, 54<sup>th</sup>, seconded the motion. Chairman Golden then asked for a motion on the legislation as amended. Senator Bethel, 54<sup>th</sup>, moved ***HB 840 Do Pass by Substitute*** as amended by the committee. Senator McKoon, 29<sup>th</sup>, seconded the motion. This legislation passed (4-2).

#### **HB 840 DO PASS BY SUBSTITUTE**

**NOTE:** Yeas were Bethel, Shafer, Jones, and McKoon. Nays were Harbison and Ramsey.

**NOTE:** Senator McKoon, 29<sup>th</sup>, agreed to be the Senate sponsor.

**HB 1027** (Strickland, 11<sup>th</sup>) State government; certain processes and procedures affecting unemployment insurance; change

**Representative Strickland, 11<sup>th</sup>**, presented ***HB 1027*** and the following summary was shared:

## **Unemployment Compensation**

### **SUMMARY**

This legislation aligns Georgia in compliance with federal law. The bill's author has stated that failure to adopt its provisions could result in a loss of \$80 million from the Unemployment Trust Fund.

### **ANALYSIS**

This legislation places Georgia's unemployment statutes in compliance with federal law. This legislation also clarifies current law. Significant provisions of this legislation include the following:

Section 1 – Any funds recaptured as a result of false statements and misrepresentations made to obtain or increase benefits must be returned to the Unemployment Trust Fund;

Section 2 – Current law requires employers to respond in a timely and adequate manner to a claim filing or a written request by GADOL for information relating to a claim. An employer violating this provision without good cause may have its unemployment account charged for overpayment of benefits paid even if the determination is later reversed. This legislation imposes a mandatory charge when three or more violations occur within one calendar year. Such charges will not be relieved unless good cause is shown;

Section 3 – Allows individuals who are currently in an approved job training program, and who have exhausted all available unemployment compensation, to continue to receive benefits if the unemployment rate in Georgia equals or exceeds 11 percent;

Section 4 – Clarifies that a decision made by the board of review becomes final 15 days from the date the decision is mailed to all parties;

Section 5 – Clarifies that during judicial reviews of final decisions, petitions must be served upon the Labor Commissioner within 15 days from the date of filing;

Section 6 – Empowers the Labor Commissioner, the board of review, the chief administrative hearing officer, or any duly authorized representative to quash, modify, or withdraw a subpoena issued by them;

Section 7 – Clarifies language related to overpayments by requiring that all applicable penalties and interest may not be waived. However, interest accrued on the overpayment may be waived if the Commissioner determines such waiver to be in the best interest of the state;

Section 8 – Increases the penalty for any overpayment due to false representation from 10 percent to 15 percent; and

Section 9 – Adds GADOL to the Administrative Procedure Act in order to facilitate hearings related to unemployment benefits or overpayments of unemployment benefits.

Testimony in support was given by **Roy Bowan**, Georgia Association of Manufacturers.

Chairman Golden, 8<sup>th</sup>, asked for a motion on the legislation. Senator Jones, 25<sup>th</sup>, moved **HB 1027 Do Pass**. Senator Ramsey, 43<sup>rd</sup>, seconded the motion. This bill passed unanimously (6-0).

### **HB 1027 DO PASS**

**NOTE:** Yeas were Bethel, Shafer, Jones, McKoon, Harbison and Ramsey.

**NOTE:** Senator Thompson, 14<sup>th</sup>, agreed to be the Senate sponsor.

Chairman Golden, 8<sup>th</sup>, recognized Senator McKoon, 29<sup>th</sup>, for a hearing on **SB 173**.

**SB 173 (McKoon, 29<sup>th</sup>)** "Accuracy and Transparency in Physician/Provider Profiling Act"; provide for physician profiling program

The following summary was shared with the committee:

#### **“Accuracy and Transparency in Physician/Provider Profiling Act”**

##### **SUMMARY**

Establishes the standards for which physician/provider profiling programs may operate in Georgia.

##### **ANALYSIS**

This legislation establishes the standards for which physician/provider profiling programs may operate in Georgia. A physician/provider profiling program is defined as a program or system that compares, rates, ranks, measures, tiers, or classifies a physician's or physician group's performance, quality, or cost of care against objective or subjective standards or the practice of other physicians.

Physician profiling programs must conspicuously disclose to patients the following information on the Internet and in other relevant materials:

- Accurate and concise information explaining the physician rating system, including the basis upon which physician performance is measured and the statistical likelihood the rating is accurate;
- Limitations of the data used to measure physician performance;
- How the ratings affect the physician, including, but not limited to, a physician's inclusion into or exclusion from a network;

- The quality and economic criteria used in the rating system, including the measurements for each criterion and its relative weight in the overall evaluation; and
- A conspicuous written disclaimer stating the following:

*“Physician performance ratings should only be used as a guide to choosing a physician. You should talk to your doctor before making a health care decision based on the rating. Ratings may be wrong and should not be used as the sole basis for selecting a doctor.”*

Testimony in support of the legislation was given by the following:

**David Cransky**, Georgia Dermatology Association

**Marcus Downs**, Medical Association of Georgia

**SB 173 HEARING ONLY**

With no further business, Chairman Golden adjourned the meeting at 3:05 p.m.

Respectfully submitted,

/s/ Senator Tim Golden, 8<sup>th</sup>, Chairman

/s/ Laurie Sparks, Recording Secretary

**OFFICE OF THE LIEUTENANT GOVERNOR**

240 State Capitol  
Atlanta, Georgia 30334

Casey Cagle  
Lieutenant Governor

Mr. David Cook  
Secretary of the Senate  
353 State Capitol  
Atlanta, GA 30334

Dear David:

In accordance with the Senate Rules, the Committee on Assignments hereby appoints Senator Brandon Beach, 21st, to serve as Ex-Officio for the Senate Insurance and Labor Committee meeting on March 11, 2014. This appointment shall expire upon the adjournment of the committee meeting.

Sincerely,

/s/ Casey Cagle  
President of the Senate

**MINUTES OF THE SENATE INSURANCE AND LABOR COMMITTEE**  
**Tuesday, March 11, 2014**

The Senate Insurance and Labor Committee held its sixth meeting of the 2014 Session on Tuesday, March 11, 2014, in the Senate Mezzanine. Chairman Tim Golden called the meeting to order at 4:00 p.m. Members present at the meeting were as follows:

Senator Tim Golden, 8<sup>th</sup>, Chairman  
Senator Charlie Bethel, 54<sup>th</sup>  
Senator Ed Harbison, 15<sup>th</sup>  
Senator Josh McKoon, 29<sup>th</sup>  
Senator Ronald Ramsey, 43<sup>rd</sup>  
Senator Renee Unterman, 45<sup>th</sup>

**NOTE:** Senators Hill, 32<sup>nd</sup>, Shafer, 48<sup>th</sup>, and Jones, 25<sup>th</sup>, were absent. Senator Brandon Beach, 21<sup>st</sup>, was assigned as Ex-Officio for the meeting to help preserve quorum.

**HB 943 (Hawkins, 27<sup>th</sup>) “Cancer Treatment Fairness Act; enact”**

**Chairman Golden, 8<sup>th</sup>**, presented a substitute to **HB 943** stating that he had talked with the author of the legislation about adding the language of **SB 397**, which required insurance coverage for Autism Spectrum Disorders, because the House of Representatives was not moving that legislation. Chairman Golden asked Representative Hawkins to speak on his portion of the substitute which was called the Cancer Treatment Fairness Act first, and he would follow-up with a recap on the Autism portion of the legislation. The following summary of the substitute was shared with the committee:

**“Cancer Treatment Fairness Act”; and  
Required Coverage for Autism Spectrum Disorders (ASDs)**

**SUMMARY**

- Requires health insurance policies that provide coverage for intravenously administered chemotherapy to provide at least the same level of coverage for orally administered chemotherapy.
- Requires insurers to cover children six years of age or younger who are diagnosed with an ASD. Coverage for applied behavior analysis (ABA) may be capped at \$35,000.00 annually.
- After the first year of this legislation’s effective date, this legislation exempts any insurer from this mandate for one year if that insurer can actuarially demonstrate that the mandate would lead to an increase in average premiums charged of more than 1 percent for all policies commencing on inception or the next renewal date.
- This mandate does not apply to any policy offered by any employer with 10 or fewer employees.

## ANALYSIS

### “Cancer Treatment Fairness Act”

This legislation requires health insurance policies that provide coverage for intravenously administered chemotherapy to provide at least the same level of coverage for orally administered chemotherapy.

Insurers are prohibited from:

- Varying the terms of any policy in effect on December 30, 2014, to avoid compliance with this legislation;
- Providing any incentive, including a monetary incentive, or imposing treatment limitations to encourage a covered person to accept less than the minimum protections available under this legislation;
- Penalizing a provider or reducing or limiting their compensation for recommending or providing services or care to a covered person as required under this legislation;
- Providing any incentive to induce a provider to provide services that do not comply with this legislation; or
- Changing the classification of any intravenously administered chemotherapy or increasing the amount of cost sharing applicable to any intravenously administered chemotherapy in effect on January 1, 2015, in order to achieve compliance with this legislation.

An insurer that limits the total amount paid by an insured through all cost sharing requirements to no more than \$200.00 per filled prescription for any orally administered chemotherapy will be deemed to be in compliance with this legislation.

This provision becomes effective on January 1, 2015.

Testimony in support of the legislation was given by the following:

**Linda Lowe**, Georgia Breast Cancer Coalition

**Andy Lord**, Georgia Society of Clinical Oncology

**Mary Daniels**, GAACP

Testimony in opposition to the legislation was given by the following:

**Larry Lanier**, National Patient Advocate Foundation

**Jim Mahoney**, IMF patient

Senator Unterman, 45<sup>th</sup>, was recognized with an amendment that would add the words Medicaid and Medicare under insurers. Before a motion was made to amend, Chairman Golden, 8<sup>th</sup>, asked for a motion on the substitute for **HB 943**. Senator Bethel, 54<sup>th</sup>, moved **HB 943 Do Pass by Substitute**, and Senator McKoon, 29<sup>th</sup>, seconded the motion. Chairman Golden, 8<sup>th</sup>, then asked for a motion on the amendment. Senator Bethel, 54<sup>th</sup>, moved that the substitute to **HB 943** be amended adding the words Medicaid and Medicare. Senator Unterman, 45<sup>th</sup>, seconded the motion. The amendment language passed unanimously (5-0). Chairman Golden, 8<sup>th</sup>, asked the committee to vote on the

legislation as amended. This legislation was passed by substitute as amended by the committee unanimously (5-0).

### **HB 943 DO PASS BY SUBSTITUTE**

**NOTE:** Yays on the amendment and the substitute were Bethel, Harbison, McKoon, Ramsey and Unterman.

**NOTE:** Senator Unterman, 45<sup>th</sup>, agreed to be the Senate sponsor.

Chairman Golden, 8<sup>th</sup>, recognized Senator Bethel, 54<sup>th</sup>, to give the subcommittee report on **HB 947**. Senator Bethel, 54<sup>th</sup>, stated that the subcommittee reported this legislation as unanimous *Do Pass*.

**NOTE:** Senator Unterman, 45<sup>th</sup>, left the meeting.

### **HB 947 (Clark, 98<sup>th</sup>) Labor and industrial relations; payment of wages by credit to prepaid debit card; provisions**

**Representative Clark, 98<sup>th</sup>**, presented **HB 947** and the following summary was shared with the committee:

#### **Crediting Wages through Prepaid Debit Card**

##### **SUMMARY**

- Authorizes employers to pay employee wages and salaries by credit to a prepaid debit card.

##### **ANALYSIS**

This legislation authorizes employers to pay employee wages and salaries by credit to a prepaid debit card. An employer choosing this method must also give the employee the option of being paid by direct deposit. If the employee does not designate and authorize an account at a financial institution for direct deposit within seven days, then the employer may make wage by prepaid debit card. Employers are required to provide the employee with seven days' notice in writing of the option to choose between both methods of payment and an explanation of any associated fees.

Senators Harbison and Ramsey had some clarifying questions for the author.

Noting that this bill had already been heard in subcommittee, Chairman Golden, 8<sup>th</sup>, did not open the floor to further testimony, and asked for a motion from the members of the Committee. Senator Beach, 21<sup>st</sup>, moved **HB 947 Do Pass**. Senator Bethel, 54<sup>th</sup>, seconded the motion. The bill passed unanimously (5-0).

### **HB 947 DO PASS**

**NOTE:** Yays were Ramsey, Harbison, McKoon, Bethel and Beach.

**NOTE:** Senator Jones, 25<sup>th</sup>, agreed to be the Senate sponsor.

Chairman Golden, 8<sup>th</sup>, recognized Senator Bethel, 54<sup>th</sup>, to give the subcommittee report on **HB 645**. Senator Bethel, 54<sup>th</sup>, stated that the subcommittee reported this legislation as unanimous **Do Pass**.

**HB 645 (Dollar, 45<sup>th</sup>) Insurance; electronic transmissions of notices and documents from insurer to a party to an insurance transaction; provisions**

**Representative Dollar, 45<sup>th</sup>**, presented **HB 645** and the following summary was shared with the committee:

**Insurance Transactions Conducted Electronically**

**SUMMARY**

- Allows for the provisions of the “Uniform Electronic Transactions Act” to be applied to the Insurance Code.

**ANALYSIS**

This legislation allows insurance transactions to be executed electronically in a manner conforming with the “Uniform Electronic Transactions Act,” found under Chapter 12 of Title 10, and only if the insured agrees to such provisions.

Noting that this bill had already been heard in subcommittee, Chairman Golden, 8<sup>th</sup>, did not open the floor to further testimony, and asked for a motion from the members of the Committee. Senator Bethel, 54<sup>th</sup>, moved **HB 645 Do Pass**. Senator McKoon, 29<sup>th</sup>, seconded the motion. The bill passed unanimously (5-0).

**HB 645 DO PASS**

**NOTE:** Yays were Ramsey, Harbison, McKoon, Bethel and Beach.

**NOTE:** Senator Thompson, 14<sup>th</sup>, agreed to be the Senate sponsor.

**NOTE:** Senator Unterman, 45<sup>th</sup>, returned to the committee.

Chairman Golden, 8<sup>th</sup>, recognized Senator Bethel, 54<sup>th</sup>, to give the subcommittee report on the substitute to **HB 610**. Senator Bethel, 54<sup>th</sup>, stated that the subcommittee reported this legislation as unanimous **Do Pass by Substitute**.

**HB 610 (Williamson, 15<sup>th</sup>) Insurance; licensing and regulation of public adjusters; provisions**

**Representative Williamson, 15<sup>th</sup>**, presented **HB 610** and the following summary was shared with the committee:

**Public Adjusters**

**SUMMARY**

- Expands the definition for public adjusters while clarifying their licensing, roles, powers, duties, and prohibited acts.

**ANALYSIS**

This legislation expands the definition for public adjusters while clarifying their contracts, licensing, roles, powers, duties, and prohibited acts. A public adjuster is an insurance claims adjuster who advocates for the policyholder in appraising and negotiating an insured's insurance claim.

Public adjusters must ensure that all contracts for their services are in writing and titled "Public Adjuster Contract." In addition to other information, such contracts must contain the following:

- The public adjuster's Department of Insurance license number and a statement that the license is valid and in full force and effect;
- A statement of the compensation that the public adjuster is to receive for services, including a listing of typical costs and expenses for which the public adjuster is to be reimbursed; and
- A statement prominently captioned in a minimum 12 point font that discloses anything that may be reasonably construed as a conflict of interest.
- Public adjuster contracts may not contain provisions that:
- Restrict an insured's right to communicate with an attorney, the insurer, the insurer's adjuster, the insurer's attorney, or any other person regarding settlement of the claim;
- Vest the public adjuster with the right to initiate direct communications with the insured's insurer, adjuster, or attorney regarding settlement without specific written authorization from the insured;
- Allow the public adjuster's percentage fee to be collected when money is due from an insurance company but not paid or that allows a public adjuster to collect the entire fee from the first check issued by an insurer rather than as a percentage of each issued check;
- Require that the insurer issue a check only in the name of the public adjuster; or
- Preclude or restrict an insured from pursuing any civil remedies relating to his or her claim.
- All public adjuster contracts must be construed to contain, by operation of law:
- A provision granting the insured a right to rescind the contract within three business days after the date the contract was signed;

- A provision requiring that if the insured exercises the right to rescind the contract, anything of value given by the insured under the contract will be returned to the insured within 15 business days following the receipt of the cancellation notice; and
- A provision requiring that, prior to initiating any contact with the insurer, the insurer's adjuster, or the insurer's attorney regarding settlement of the insured's claim, a public adjuster must provide the insurer a notification letter signed by the insured confirming that the insured has authorized the public adjuster to communicate directly with the insurer.

Noting that this bill had already been heard in subcommittee, Chairman Golden, 8<sup>th</sup>, did not open the floor to further testimony, and asked for a motion from the members of the Committee. Senator Bethel, 54<sup>th</sup>, moved ***HB 610 Do Pass by Substitute***. Senator McKoon, 29<sup>th</sup>, seconded the motion. The bill passed unanimously (5-0).

### **HB 610 DO PASS BY SUBSTITUTE**

**NOTE:** Yays were Ramsey, Harbison, McKoon, Bethel, Unterman and Beach. Senator Beach's vote as ex-officio did not count because he was not needed to make the quorum.

**NOTE:** Senator Jones, 25<sup>th</sup>, agreed to be Senate sponsor.

Chairman Golden, 8<sup>th</sup>, recognized Senator Bethel, 54<sup>th</sup>, to give the subcommittee report on the substitute to ***HB 920***. Senator Bethel, 54<sup>th</sup>, stated that the subcommittee reported this legislation as unanimous ***Do Pass***.

### **HB 920 (Teasley, 37<sup>th</sup>) “Unclaimed Life Insurance Benefits Act”; enact**

**Representative Teasley, 37<sup>th</sup>**, presented ***HB 920*** and the following summary was shared with the committee:

#### **“Unclaimed Life Insurance Benefits Act”**

#### **SUMMARY**

- Requires life insurers to perform a comparison of their in-force policies, annuities, and retained asset accounts against a Death Master File, on at least a semiannual basis, to identify potential matches.

#### **ANALYSIS**

This legislation requires life insurers to perform a comparison of their in-force policies, annuities, and retained asset accounts against a Death Master File, on at least a semiannual basis, to identify potential matches. An insurer may comply with this requirement by using the full Death Master File once and thereafter using the update files for future comparisons. This provision does not limit an insurer from requesting a valid death certificate as part of any claims validation process.

If an insurer learns of the possible death of a person, the insurer must within 90 days:

- Complete and document a good faith effort to confirm the death of the person against other available records;
- Determine whether the deceased person had purchased any other products with the insurer;
- Determine whether benefits may be due; and
- If the beneficiary has not communicated with the insurer within the 90 day period, take reasonable steps to locate and contact the beneficiary.

In the event the proper recipients cannot be found, the benefits will be transferred to the state as unclaimed property. However, payable interest will not be payable as unclaimed property.

The Commissioner may, in his or her reasonable discretion:

- Limit an insurer's Death Master File comparisons to the insurer's electronic searchable files or approve a plan and timeline for conversion of the insurer's files to electronic searchable files;
- Exempt an insurer from the comparisons or permit an insurer to perform such comparisons less frequently than semiannually upon a demonstration of financial hardship by the insurer; or
- Phase in this legislation's compliance according to a plan and timeline approved by the Commissioner.

Failure to the requirements of this legislation is considered a violation of the Unfair Trade Practices Act.

In the event that an insurer has identified a person as deceased, but is unable to locate a beneficiary, the insurer is authorized to report and remit the proceeds to the state on an early reporting basis, without further notice or consent by the state. Once reported and proceeds remitted, the insurer will be relieved and indemnified from any additional liability.

This legislation is applicable to policies issued or renewed on or after January 1, 2015.

Noting that this bill had already been heard in subcommittee, Chairman Golden, 8<sup>th</sup>, did not open the floor to further testimony, and asked for a motion from the members of the committee. Senator Bethel, 54<sup>th</sup>, moved ***HB 920 Do Pass***. Senator McKoon, 29<sup>th</sup>, seconded the motion. The bill passed unanimously (5-0).

### **HB 920 DO PASS**

**NOTE:** Yays were Ramsey, Harbison, McKoon, Bethel, Unterman and Beach. Senator Beach's vote as ex-officio did not count because he was not needed to make the quorum.

**NOTE:** The Senate sponsor of this legislation was Senator McKoon, 29<sup>th</sup>.

**NOTE:** Senator McKoon, 29<sup>th</sup>, left the meeting.

Chairman Golden, 8<sup>th</sup>, recognized Senator Bethel, 54<sup>th</sup>, to give the subcommittee report on **HB 828**. Senator Bethel, 54<sup>th</sup>, stated that the subcommittee reported this legislation as unanimous *Do Pass*.

**HB 828 (Mabra, 63<sup>rd</sup>) Insurance; solicitation, release, or sale of automobile accident information; prohibit**

**Representative Mabra, 63<sup>rd</sup>**, presented the substitute to **HB 828** and the following summary was shared with the committee:

**Ambulance Chasing**

**SUMMARY**

- Prohibits the solicitation, release, or sale of car wreck information including the personal information of individuals involved in the accident; and
- Prohibits any person firm, corporation, partnership, or association from acting as a capper, runner, or steerer for any attorney or health care provider.

**ANALYSIS**

This legislation prohibits any person in a capacity as a law enforcement officer, law enforcement records staff member, wrecker services staff member, emergency staff member, physician, hospital employee, or attorney from soliciting, releasing, or selling any information relating to the parties of a motor vehicle accident for personal financial gain. This prohibition does not apply to mass media advertisement and solicitation.

This legislation also prohibits:

- Any person, firm, corporation, partnership, or association from acting as a capper, runner, or steerer for any attorney or health care provider. This does not prohibit an attorney or provider from making a referral and receiving compensation as is permitted under applicable professional rules of conduct;
- Any attorney or health care provider from compensating a person acting as a capper, runner, or steerer; and
- Any organization from recommending or securing an attorney or provider for a client, patient, or customer if such attorney or provider obtains or intends to obtain benefits under an insurance policy or asserts a claim against an insured or an insurer for providing services to the client, patient, or customer. This prohibition does not apply to mass media advertisement and solicitation.

A first time violation of this legislation by a natural person is a misdemeanor. Second and subsequent violations are felonies.

Finally, this legislation places restrictions to releasing accident reports to the media by only allowing such disclosure for accidents that have occurred more than 60 days from the media request.

Noting that this bill had already been heard in subcommittee, Chairman Golden, 8<sup>th</sup>, did not open the floor to further testimony, and asked for a motion from the members of the committee.

Senator Bethel, 54<sup>th</sup>, was recognized to offer an amendment that would clarify the language on line 89 where the words “however” to “when” would be struck and the word “that” would be inserted. Chairman Golden, 8<sup>th</sup>, asked for a motion on the bill before consideration of the amendment. Senator Bethel, 54<sup>th</sup>, moved ***HB 828 Do Pass***. Senator Unterman, 45<sup>th</sup>, seconded the motion. Senator Bethel, 54<sup>th</sup>, then moved that the bill be amended as stated earlier. Senator Unterman, 45<sup>th</sup>, seconded the motion to amend. The amendment passed unanimously (5-0). The committee then voted that ***HB 828 Do Pass by Substitute*** unanimously (5-0).

### **HB 828 DO PASS BY SUBSTITUTE**

**NOTE:** Yays were Ramsey, Harbison, Bethel, Unterman and Beach.

**NOTE:** The Senate sponsor of this legislation was Senator Hill, 6<sup>th</sup>.

### **HB 714 (Hamilton, 24<sup>th</sup>) Labor; determination of eligibility for unemployment benefits of certain people performing certain services; provide changes**

**Representative Hamilton, 24<sup>th</sup>**, presented a substitute to ***HB 714*** and the following summary was shared with the committee:

#### **Unemployment Benefits**

##### **SUMMARY**

Prohibits certain employees working for an educational institution from collecting unemployment benefits during certain periods, such as summer breaks between two successive academic years, or during an established and customary vacation or holiday recess.

##### **ANALYSIS**

Under current law, teachers are prohibited from collecting unemployment benefits during certain periods, such as summer breaks between two successive academic years, or during an established and customary vacation or holiday recess.

This legislation extends this provision to individuals who perform services for an employer holding a contractual relationship with an educational institution, institution of higher education, or Pre-K program and there is a reasonable assurance of returning to work for the institution. If compensation is denied to the individual and that individual is

not offered the opportunity to return to work, then he or she will be entitled to retroactive payment for each week during that period of unemployment, provided that they meet all other eligibility requirements.

The language of **HB 1027** was added to the bill in committee and the following summary was shared with the committee:

## **Unemployment Compensation**

### **SUMMARY**

This legislation aligns Georgia in compliance with federal law. The bill's author has stated that failure to adopt its provisions could result in a loss of \$80 million from the Unemployment Trust Fund.

### **ANALYSIS**

This legislation places Georgia's unemployment statutes in compliance with federal law. This legislation also clarifies current law. Significant provisions of this legislation include the following:

Section 1 – Any funds recaptured as a result of false statements and misrepresentations made to obtain or increase benefits must be returned to the Unemployment Trust Fund;

Section 2 – Current law requires employers to respond in a timely and adequate manner to a claim filing or a written request by GADOL for information relating to a claim. An employer violating this provision without good cause may have its unemployment account charged for overpayment of benefits paid even if the determination is later reversed. This legislation imposes a mandatory charge when three or more violations occur within one calendar year. Such charges will not be relieved unless good cause is shown;

Section 3 – Allows individuals who are currently in an approved job training program, and who have exhausted all available unemployment compensation, to continue to receive benefits if the unemployment rate in Georgia equals or exceeds 11 percent;

Section 4 – Clarifies that a decision made by the board of review becomes final 15 days from the date the decision is mailed to all parties;

Section 5 – Clarifies that during judicial reviews of final decisions, petitions must be served upon the Labor Commissioner within 15 days from the date of filing;

Section 6 – Empowers the Labor Commissioner, the board of review, the chief administrative hearing officer, or any duly authorized representative to quash, modify, or withdraw a subpoena issued by them;

Section 7 – Clarifies language related to overpayments by requiring that all applicable penalties and interest may not be waived. However, interest accrued on the overpayment may be waived if the Commissioner determines such waiver to be in the best interest of the state;

Section 8 – Increases the penalty for any overpayment due to false representation from 10 percent to 15 percent; and

Section 9 – Adds GADOL to the Administrative Procedure Act in order to facilitate hearings related to unemployment benefits or overpayments of unemployment benefits.

Senators Ramsey and Harbison expressed concerns regarding this legislation.

The following gave opposing testimony:

**Rhoda Echols**, Clark University

**Alex Callis**, Clark University

**Johnny Smith**, Worker's United

**Debra Robinson**, Agnes Scott College

**Bernice Randolph**, Morehouse College

**Vincent Dickson**, Georgia State University

**Chris Baumann**, Worker's United

**Brett Hulme**, Small Business Owner

**Rep. Dewey McClain**

The following gave supporting testimony:

**Kyle Jackson**, National Federation of Independent Business

**Jim Mitchell**, Department of Labor

**Roy Bowen**, GA Association of Manufacturers

**Ellen Reynolds**, Georgia Childcare Association

Chairman Golden, 8<sup>th</sup>, asked for a motion on the legislation. Senator Beach, 21<sup>st</sup>, moved **HB 714** Do Pass by Substitute. Senator Unterman, 45<sup>th</sup>, seconded the motion. The legislation passed (3-2).

#### **HB 714 DO PASS BY SUBSTITUTE**

**NOTE:** Yays were Senators Unterman, Beach and Bethel. Nays were Senators Harbison and Ramsey.

**NOTE:** Senator Millar, 40<sup>th</sup>, agreed to be the Senate sponsor.

With no further business, Chairman Golden adjourned the meeting at 5:45 p.m.

Respectfully submitted,

/s/ Senator Tim Golden, 8<sup>th</sup>, Chairman

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE INSURANCE AND LABOR COMMITTEE**  
**Thursday, March 13, 2014**

The Senate Insurance and Labor Committee held its final meeting of the 2014 Session on Thursday, March 13, 2014, in Room 450 of the Capitol. Chairman Golden, 8<sup>th</sup>, called the meeting to order at 11:35 a.m. Members present at the meeting were as follows:

Senator Tim Golden, 8<sup>th</sup>, Chairman  
Senator Charlie Bethel, 54<sup>th</sup>  
Senator Burt Jones, 25<sup>th</sup>  
Senator Josh McKoon, 29<sup>th</sup>  
Senator Renee Unterman, 45<sup>th</sup>

**NOTE:** Senators Harbison, 15<sup>th</sup>, Ramsey, 43<sup>rd</sup>, Hill, 32<sup>nd</sup>, Shafer, 48<sup>th</sup>, were absent.

**HB 707 (Spencer, 180<sup>th</sup>) The Georgia Health Care Freedom and ACA Noncompliance Act; enact**

Chairman Golden, 8<sup>th</sup>, noted that time was very limited in which to get the committee report out in time for the session deadline. Since the committee had already heard testimony on **SB 334** which was Senator Carter's, 1<sup>st</sup>, companion bill to **HB 707** which was passed out the committee earlier in the session, Chairman Golden said there would be no public testimony.

**Representative Spencer, 180<sup>th</sup>**, presented a substitute to **HB 707** and the following summary was shared with the committee:

**The Georgia Health Care Freedom Act**

**SUMMARY**

- Prohibits state and local governments from advocating for the expansion of Medicaid coverage in Georgia; and
- Prohibits state and local governments from establishing or operating a health care exchange or navigator program, or accepting any money to operate an exchange.

**ANALYSIS**

This legislation prohibits state and local governments from advocating for the expansion of Medicaid coverage in Georgia. However, this does not prohibit public employees from advocating for the expansion on personal time or from providing bona fide educational instruction about the Affordable Care Act (ACA) in institutions of higher learning. This prohibition will be enforced by the Attorney General.

This legislation also prohibits state and local governments from establishing or operating a health care exchange or navigator program. Additionally, state and local governments are prohibited from applying for, accepting, or expending any money to operate an exchange. However, this prohibition does not apply to any navigator-related grant in effect on this bill's effective date.

Finally, this legislation prohibits the Insurance Commissioner from enforcing any health care insurance related provision of the ACA. The Commissioner is also prohibited from penalizing any insurer or agent for any violation of the ACA.

Nothing in this legislation applies to the regulation and licensing of insurance navigators found in Article 3 of Chapter 23 of Title 33 and nothing in this legislation should be construed to apply to the regulation of rates or rate filings, investigations, administrative or judicial proceedings, or any other duty or responsibility arising under state or local law regarding health insurers by the Insurance Commissioner.

Chairman Golden, 8<sup>th</sup>, asked for a motion on the legislation. Senator McKoon, 29<sup>th</sup>, moved ***HB 707 Do Pass by Substitute***. Senator Bethel, 54<sup>th</sup>, seconded the motion. The legislation passed unanimously (5-0)

#### **HB 707 DO PASS BY SUBSTITUTE**

**NOTE:** Yays were Senators Golden, Bethel, Jones, McKoon, and Unterman.

**NOTE:** Senator Carter, 1<sup>st</sup>, agreed to be the Senate sponsor.

With no further business, Chairman Golden adjourned the meeting at 11:45 a.m.

Respectfully submitted,

/s/ Senator Tim Golden, 8<sup>th</sup>, Chairman

/s/ Laurie Sparks, Recording Secretary

March 20, 2014

Honorable David Cook  
Secretary of the Senate  
State Capitol  
Room 353  
Atlanta, GA 30334

Dear Mr. Cook:

Along with the minutes of the **Senate Insurance and Labor Committee**, I am returning the following Bills:

[SR 444](#)

[SR 807](#)

[SR 897](#)

[SB 2](#)

[SB 20](#)

[SB 38](#)

[SB 46](#)

[SB 47](#)

[SB 118](#)

[SB 164](#)

[SB 173](#)

[SB 191](#)

[SB 245](#)

[SB 227](#)

[SB 229](#)

[SB 314](#)

[SB 328](#)

[SB 401](#)

[SB 402](#)

[SB 417](#)

[SB 427](#)

Respectfully submitted,

/s/ Laurie Sparks  
Recording Secretary  
Senate Insurance and Labor Committee