
Addendum: for use with Georgia Property and Casualty and Personal Lines online ExamFX courses and study guides version #25796en (for P&C) and #25797en (for Personal Lines), per exam content outline updates effective 11/16/2021.

*The following are **content additions** or revisions to the existing text as indicated:*

Introduction

F. Exam Breakdown – new exam breakdowns

Georgia Property and Casualty Insurance Examination
135 Total Questions (125 scored, 10 pretest)
Time Limit: 2 hours; Passing Score: 70%

CHAPTER	PERCENTAGE OF EXAM
Insurance Terms and Related Concepts	22%
Policy Provisions and Contract Law	18%
Types of Property Policies	20%
Types of Casualty Policies	20%
Georgia Rules and Codes Pertinent to All Insurance Lines	14%
Georgia Rules and Codes Pertinent to Property and Casualty Insurance	6%

Note that in the online course and study guide, the state laws and regulations are combined into one chapter that will account for 20% (25 questions) on practices exams.

Georgia Personal Lines Insurance Examination
95 Total Questions (90 scored, 5 pretest)
Time Limit: 2 hours; Passing Score: 70%

CHAPTER	PERCENTAGE OF EXAM
Insurance Terms and Related Concepts	31%
Policy Provisions and Contract Law	27%
Types of Property Policies	11%
Types of Casualty Policies	15%
Georgia Rules and Codes Pertinent to All Insurance Lines	12%
Georgia Rules and Codes Pertinent to Property and Casualty Insurance	2%
Georgia Rules and Codes Pertinent to Personal Lines Only	2%

Note that in the online course and study guide, the state laws and regulations are combined into one chapter that will account for 16% (15 questions) on practices exams.

State Laws, Rules, and Regulations

A. Georgia Laws, Rules, and Regulation Common to All Lines

2. Insurance Department and Commissioner

Investigation/Notice of Hearing – *addition to the existing text:*

If, after a hearing, the Commissioner determines that the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice, the Commissioner will send to the person a written copy of the violations and a **cease and desist order** requiring the person to stop engaging in such method of competition, act, practice, or violation.

The Commissioner may also impose one or more of the following penalties:

- A monetary fine up to \$1,000 for each violation, or \$5,000 for willful violations, where a person knew or reasonably should have known they were in violation;
- Suspension or revocation of the person's license if the person has knowingly committed the violation; or
- Any other relief as is reasonable and appropriate.

5. Unfair Trade Practices

Rebating – *addition to the existing text*

It is unlawful to pay, offer or accept any of the following as an **inducement** to buy insurance:

- Any special favor or advantage in dividends or benefits;
- Any stocks, bonds, securities, or accrued dividends or profits; or
- Anything of value not specified in the insurance contract.

In Georgia, the regulation regarding unlawful inducement does not apply to the insurer's advertising or promotional programs in which insureds or prospective insureds may be given articles of merchandise, prizes, store gift cards, gift certificates, or sporting event tickets not exceeding **\$100** in value per person in any one calendar year, as long as the giving of the item of value is not contingent upon the sale or renewal of a policy.

Coercion – *new section on the outline*

It is illegal to be involved in any activity of coercion which is intended to restrict fair trade or to create a monopoly. **Coercion** is an unfair trade practice in which an agent uses physical or mental force with the intent of inducing an applicant to purchase insurance.

Controlled Business – *new section on the outline*

Controlled business is any coverage written on a producer's own life, health or property, and/or that of the producer's immediate family or business associates. A licensee is not allowed to collect commissions on controlled business above the state-specified limit. In the state of Georgia, a license will not be issued to a person if it is determined that the primary purpose of the license is to write controlled business. **No more than 25%** of the agent's volume of insurance per calendar year can be issued on controlled business.

Georgia Rules and Codes Pertinent to Property and Casualty Insurance Binders

Binders and other temporary contracts of insurance may be made orally or in writing, and are deemed to include all the terms of the policy for which the binder was given, together with any applicable endorsements. Binders are in effect for **90 days** or until the issuance of the policy for which the binder was given, whichever comes first.

If a policy has not been issued, a binder may be extended or renewed beyond **90 days** with the written approval of the Commissioner.

Regulation of Rates

The following standards apply to the making and use of rates for all classes of insurance:

- Rates cannot be excessive or inadequate;
- No rate may be deemed excessive unless it is unreasonably high for the insurance provided and a reasonable degree of competition does not exist in that area;
- No rate will be considered inadequate unless it is unreasonably low for the insurance provided and the continued use would endanger the solvency of the insurer;
- Consideration will be given to loss experience related to conflagration and catastrophe hazards. In the case of fire insurance rates, consideration may be given to the experience of the fire insurance business during the most recent 5-year period;
- Consideration may also be given to the making of rates, dividends, savings or unabsorbed premium deposits;
- The system of expense provisions may differ from those of others (to reflect operation methods);
- Risks may be grouped by classifications for the establishment of rates and minimum premiums;
- No insurer may base any standard or rating plan on vehicle insurance – based on race, creed or ethnicity; and
- No insurer may base any standard rating plan for vehicle insurance on physical disability – unless it impairs the ability to drive a motor vehicle.

Every insurer must maintain copies of the rates, plans, systems, and underwriting rules it uses. These rate filings must be updated by the insurer at least once every **2 years**.

When a rate increases **10%** or more within **12 months**, the Commissioner will order an examination.

Rates for private passenger motor vehicle insurance providing only the mandatory minimum limits must be filed with the Commissioner. If the rate has been on file with the Commissioner for **45 days** – and has not been disapproved – it may be considered approved. The Commissioner may extend this time period for up to **55 days**. If a filing is disapproved, notice will be given within **100 days** of its receipt. Insurers aggrieved by disapprovals can request hearings within **30 days**.

Georgia Insurer Insolvency Pool

The Georgia Insurers Insolvency Pool was created to provide for covered claims under property and casualty insurance policies when the insurer has become insolvent. Every insurer authorized to write property or casualty insurance in Georgia must be a member of the insolvency pool. The members of the pool are responsible for payment of assessments. The pool consists of

- A workers compensation account;
- An automobile account; and
- An account for all other covered insurance.

Member insurers will be notified of assessments 30 days before they are due. No member insurer may be assessed more than 2% of their net direct written premiums for the preceding year on the kinds of insurance in the account.

FAIR Plan

The **Georgia Fair Access to Insurance Requirements (FAIR)** provides basic property insurance for those who cannot obtain it in the ordinary market. Every authorized insurer writing property insurance in Georgia is required to be a member of the Georgia FAIR Plan and the Plan's underwriting association.

Each member must comply with the FAIR Plan's requirements as a condition of its authority to transact property insurance business.

Members share in the writing, expenses, profits, and losses of the underwriting association proportionally based on their premiums written compared to the premiums written by all insurers

C. Georgia Rules and Regulations Pertinent to Casualty Only

Defensive Driving

Drivers who complete a 6-hour defensive driving course will receive a 10% discount on the premiums for each vehicle insured under a policy if all named operators complete the course. The discount will last for 3 years.

Georgia Automobile Insurance Plan

The Georgia Automobile Insurance Plan makes automobile insurance available for insureds who are unable to purchase coverage in the voluntary market. Every insurer authorized to transact auto insurance in the state is required to participate in the plan.

When an automobile policy is cancelled or nonrenewed for a reason other than for nonpayment of premium, the insurer must notify the insured of their eligibility for coverage through the Georgia Automobile Insurance Plan. The notice about the Plan must accompany the notice of cancellation or nonrenewal.

After consultation with insurance companies authorized to issue automobile policies in Georgia, the Commissioner may approve a reasonable plan for the equitable apportionment of applicants for motor vehicle liability policies (or other automobile policies) who are in good faith entitled, but are unable to procure policies through ordinary methods.

Anyone applying for such a policy, anyone insured under such a policy or any insurer affected may appeal to the Commissioner following any ruling. Anyone aggrieved by a ruling or decision of the committee operation such a plan may file a petition to the county's superior court – within **10 days** of the ruling or decision.

Anyone that has committed no traffic offenses in the previous **3 years**, and has no claims based on fault against an insurer in the previous **3 years** will not be eligible for such a policy – unless that person's application discloses reasons for which this person is unable to procure a policy through ordinary methods.