

BEFORE THE COMMISSIONER OF INSURANCE

STATE OF GEORGIA

IN THE MATTER OF:

**CHAPTER 120-2-27
CREDIT LIFE AND CREDIT
ACCIDENT AND SICKNESS
INSURANCE FORMS**

)
)
)
)
)
)

DOCKET NUMBER I-15-I-1

ORDER

I. STATEMENT OF PROCEEDINGS

On December 4, 2015, Notice of Intent to Adopt Rule Changes and Notice of Hearing was given regarding Regulation Chapter 120-2-27 entitled “Credit Life and Credit Accident and Sickness Insurance Forms,” proposing the following regulatory actions (the “Amendments”) (Record, Exhibit 1):

-Repealing Regulation 120-2-27-.06 entitled Life Insurance Policies Covering Joint Lives” and adding, in lieu thereof, a new Regulation 120-2-27-.06 entitled “Joint Credit Insurance Policies”

-Amending Regulation 120-2-27-.08 entitled “Minimum Requirements of Credit Accident and Sickness Insurance Forms.”

By letter dated December 16, 2014, the Office of the Attorney General opined that the proposed regulation was within this office’s scope of authority. (Record, Exhibit 5) Pursuant to O.C.G.A. §50-13-4(e), the proposed regulation was sent to Wayne R. Allen, Legislative Counsel for the General Assembly, for assignment to the appropriate standing committees of the Senate and House of Representatives and was assigned accordingly. (Record, Exhibits 6 and 7).

II. CONSIDERATION OF EVIDENCE ADMITTED AT THE HEARING

Interested persons were given the opportunity to participate in the proposed rulemaking by submitting their written comments by January 2, 2015, and by making oral comments at the public hearing held January 7, 2015. Scott Cipinko, Executive Vice President & CEO of the Consumer Credit Industry Association, was the only person to submit written comments. (Record, Exhibit 8) According to Mr. Cipinko, consumer access to credit life and credit disability insurance can be critical to protect consumers from loan defaults and delinquencies, damaged credit ratings and forfeitures of collateralized properties. The Commissioner's adoption of the proposed Amendments would increase this access and allow Georgia to join the majority of other states that already allow joint credit life insurance to be obtained by all persons jointly and severally liable for repayment of a debt, and that already authorize joint credit disability coverage. At the hearing, Tom Carswell, Assistant Director of the Insurance Product Review Division of this office, Mr. Cipinko, and Frank Sutton, representing Securitas Financial Services, also spoke in favor of the proposed Amendments.

III. DECISION

WHEREAS no written or oral comments were offered in opposition to the proposed Amendments, and **WHEREAS**, this office finds the comments offered by Messrs. Carswell, Cipinko and Sutton in support of the proposed Amendments persuasive, **IT IS HEREBY ORDERED** that the proposed Amendments to Regulation Chapter 120-2-27 entitled "Credit Life and Credit Accident and Sickness Insurance Forms," a copy of which is attached hereto and made a part by reference, are **HEREBY ADOPTED**.

Docket No. I-15-I-1
Order
Page 3

Given under my Hand and Seal this 18th day of February, 2015.



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