

House Bill 733 (AS PASSED HOUSE AND SENATE)

By: Representatives Smith of the 18th, Gambill of the 15th, and Williams of the
148th

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 revise the definition of property insurance to include agreements that provide a reduction of
3 the amount due on a consumer's finance agreement in the event of a total physical damage 4
loss or unrecovered theft of the motor vehicle; to revise the definition of a guaranteed asset 5
protection waiver to include contractual agreements with or without a separate charge and 6 to
include a contractual agreement with or without a separate charge that provides a benefit 7 that
waives an amount or provides a borrower with a credit toward the purchase of a 8 replacement
vehicle; to provide for a definition of diagnostic breast examination as a
9 medically necessary and clinically appropriate breast examination used to evaluate an 10
abnormality seen, suspected, or detected; to provide for a definition of supplemental breast 11
screening examination as a medically necessary and clinically appropriate breast examination
12 used to screen for breast cancer or based on personal or family medical history; to provide 13
for additional definitions; to provide that diagnostic breast examinations shall not be treated 14
less favorably than supplemental screening mammography for breast cancer with respect to 15
cost-sharing requirements; to allow for utilization review; to provide for exceptions for 16
certain Health Savings Accounts; to provide for related matters; to provide for effective dates 17
and applicability; to repeal conflicting laws; and for other purposes.

H. B. 733

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18 BE IT ENACTED BY THE GENERAL
ASSEMBLY OF GEORGIA:

19 **PART I**

20 *Property insurance and guaranteed asset
protection waiver*

21 **SECTION 1-1.**

22 Title 33 of the Official Code of Georgia
Annotated, relating to insurance, is amended by
23 revising subsection (b) of Code Section 33-7-
6, relating to property insurance, contract 24
requirements, rules and regulations, and
exemptions, as follows:

25 "(b) Property insurance also includes:

26 (1) Any contract, agreement, or instrument whereby a person assumes the risk of and the
27 expense or portion thereof for:

28 (A) The mechanical breakdown or mechanical failure of a motor vehicle; or 29 (B) The
repair of certain reasonable motor vehicle wear and tear sustained in ordinary
30 use, such as:

31 (i) The removal of dents, dings, or creases in a motor vehicle without affecting the
32 existing paint finish using paintless dent repair techniques;

33 (ii) The removal of small windshield chips and cracks without replacement of the 34
entire windshield;

35 (iii) The repair of rips, burns, tears, holes, and punctures to interior fabric or carpet; 36 (iv) Cosmetic repair of minor scuffs, scratches, scrapes, or rash on exterior plastic 37 surfaces, including, but not limited to, bumpers;

38 (v) The repair or replacement of wheels on a motor vehicle damaged as a result of 39 coming into contact with road hazards which may include, but are not limited to, 40 potholes, rocks, wood debris, metal parts, plastic, curbs, or composite scraps;

41 (vi) Exterior reconditioning of foggy or yellowed headlights to restore clarity and
42 luster;

43 (vii) The repair or replacement of a motor vehicle key or key fob in the event that
the 44 key or key fob becomes inoperable or is lost or stolen; ~~or~~

45 (viii) The repair, replacement, or maintenance of a motor vehicle, or indemnification 46 for the repair, replacement, or maintenance for excess wear to the motor vehicle, 47 resulting in lease-end excess wear and use charges assessed by a lessor pursuant to a 48 motor vehicle lease agreement, provided that the value of any benefits under such 49 contract, agreement, or instrument shall not exceed the purchase price of the vehicle; 50 provided, further, that a person offering a cancellation or waiver of excess wear and 51 use charges in connection with a lease as described in paragraph (6) of Code Section 52 33-63-3 is not subject to this Code section; or

53 (ix) The reduction of some or all of the amounts due on a consumer's finance 54 agreement in the event of a total physical damage loss or unrecovered theft of the
55 motor vehicle;

56 and shall include those agreements commonly known as vehicle service agreements or 57 extended warranty agreements, if made by a person other than the motor vehicle 58 manufacturer or a subsidiary or affiliate of the motor vehicle manufacturer in exchange 59 for a separately stated charge or the cost of the contract or contracts is included on a 60 nonidentifiable basis in the cost of a motor vehicle sold in conjunction therewith, except 61 that this paragraph shall not apply to an agreement underwritten by an insurer licensed 62 to transact insurance in this state,

either directly or through a reinsurance contract or, 63 without regard to the requirement that the insurance cannot be obtained from an insurer 64 authorized to do business in this state as required by Code Section 33-5-21, to an 65 agreement underwritten by a surplus lines insurer which has not been rejected by the 66 Commissioner for such purpose;

67 (2) Any contract, agreement, or instrument whereby a person assumes the risk of and the 68 expense or portion of such expense for the structural or mechanical breakdown, loss of, 69 or damage to a one-family or two-family residential building structure or any part thereof 70 from any cause, including loss of or damage to or loss of use of the building structure or 71 major components thereof which are attached to and become a part of said structure, if 72 made by a person other than the constructing contractor or manufacturer of the building 73 structure or part thereof in exchange for a separately stated charge or the cost of the 74 contract or contracts is included on a nonidentifiable basis in the cost of such building 75 structure sold in conjunction therewith, except that this paragraph shall not apply to an 76 agreement underwritten by an insurer licensed to transact insurance in this state, either 77 directly or through a reinsurance contract or underwritten by a surplus line insurer 78 approved by the Commissioner nor shall this provision apply to an agreement: (A) the 79 performance of which is guaranteed by a surety bond executed by an authorized corporate 80 surety insurer in favor of and approved by the Commissioner in an amount of not less 81 than \$1.5 million; provided, further, that a surety bond of an additional \$100,000.00 shall 82 be required for every additional \$500,000.00 in written premium above \$2 million in 83 written premium. Any company relying upon one or more bonds pursuant to this 84 subsection shall keep such bonds or equivalent coverage in place until the expiration of 85 the contract, agreement, or instrument contemplated in this paragraph; or (B) 86 notwithstanding with a duration of 13 months or less covering damage to or loss of use

87 of the major appliances located in an existing or resold home where the performance of 88 any covered repair is guaranteed by a surety bond executed by a corporate surety insurer 89 authorized to offer surety insurance in this state in favor of the Commissioner and in an 90 amount which in the discretion of the Commissioner will provide adequate protection to 91 all the residents of this state who are covered by such agreements, provided that such 92 amount shall not be less than \$100,000.00; or

93 (3) Any contract, agreement, or instrument, other than an agreement, contract, or 94 instrument covered by paragraphs (1) and (2) of this subsection, whereby a person 95 assumes the risk of and the expense or portion thereof for the cost of repair or 96 replacement of a product if such contract, agreement, or instrument is made by a person 97 other than the manufacturer or a subsidiary or affiliate of the motor vehicle manufacturer 98 in exchange for a separately stated charge or the cost of the contract or contracts is

99 included on a nonidentifiable basis in the cost of the product sold in conjunction 100 therewith, except that this paragraph shall not apply to:

101 (A) An agreement underwritten by an insurer licensed to transact insurance in this 102 state, either directly or through a reinsurance contract;

103 (B) Any contract, agreement, or instrument relating to similar services furnished by
104 any air carrier that provides interstate air transportation;

105 (C) Any tire replacement contract, agreement, or instrument;

106 (D) A contract, agreement, or instrument whereby a retailer in the business of selling
107 consumer products or a wholly owned subsidiary of such retailer assumes the risk
of 108 and the expense or portion thereof for the cost of repair or replacement of
consumer 109 products where such contract, agreement, or instrument is guaranteed
by a surety bond 110 executed by a corporate surety insurer authorized to offer surety
insurance in this state 111 in favor of and approved by the Commissioner in an amount
of not less than 112 \$100,000.00; or

113 (E) Any contract, agreement, or instrument whereby any person assumes the risk of 114 and the expense or portion of such expense for the breakdown, service, repair, or 115 replacement due to normal wear and tear or structural or inherent defect to the major 116 appliances, utility systems, and roofing system of any one-family or two-family 117 residential building structure in exchange for a separately stated consideration and does 118 not otherwise provide direct or consequential coverage under a property contract 119 defined in paragraph (1) or (2) of this subsection or the introductory language of this 120 paragraph and such contract, agreement, or instrument is guaranteed by a surety bond 121 executed by a corporate surety insurer authorized to offer surety insurance in this state 122 in favor of and approved by the Commissioner in an amount of not less than

123 \$100,000.00."

124 **SECTION 1-2.**

125 Said title is further amended by revising paragraph (6) of Code Section 33-63-3, relating to 126 definitions regarding guaranteed asset protection waivers, as follows:

127 "(6) 'Guaranteed asset protection waiver' means a contractual agreement wherein a 128 creditor agrees ~~for~~, with or without a separate charge, to cancel or waive all or part of 129 amounts due on a borrower's finance agreement in the event of a total physical damage 130 loss or unrecovered theft of the motor vehicle, which agreement must be part of, or a 131 separate addendum to, the finance agreement or a contractual agreement wherein a 132 creditor agrees ~~for~~, with or without a separate charge, to cancel or waive all or part of the 133 excess wear and use charges owed by the borrower to the creditor under the lease contract 134 when the borrower returns a leased vehicle to the creditor at termination of the lease, 135 which agreement must be part of, or a separate addendum to, the lease contract. Such 136 waiver may

also provide, with or without a separate charge, a benefit that waives an 137 amount, or provides a borrower with a credit, toward the purchase of a replacement

138 vehicle."

139 **PART II**

140 *Health insurance and parity in cost-sharing*
141 *requirements for breast examinations*

141 **SECTION 2-1.**

142 Said title is further amended by adding a new
Code section to Chapter 24, relating to 143
insurance generally, to read as follows:

144 "33-24-59.31.

145 (a) As used in this Code section, the term:

146 (1) 'Breast magnetic resonance imaging' or 'breast MRI' means a diagnostic and 147
screening tool, including standard and abbreviated breast MRI, that uses radio waves and
148 magnets to produce detailed images of structures within the breast.

149 (2) 'Breast ultrasound' means a noninvasive diagnostic and screening tool that uses 150 high-
frequency sound waves and their echoes to produce detailed images of structures 151 within the
breast.

152 (3) 'Cost-sharing requirement' means a deductible, coinsurance, or copayment and any 153
maximum limitation on the application of such a deductible, coinsurance, copayment, or 154
similar out-of-pocket expense.

155 (4) 'Diagnostic breast examination' means a medically necessary and clinically 156
appropriate, as defined by the guidelines established by the National Comprehensive 157 Cancer
Network as of January 1, 2022, examination of the breast, including such 158 examination using
breast MRI, breast ultrasound, or mammogram, that is:

159 (A) Used to evaluate an abnormality seen or suspected from a screening examination 160 for
161 breast cancer; or

162 (B) Used to evaluate an abnormality detected by another means of examination.

163 (5) 'Health benefit policy' means any individual or group plan, policy, or contract for
164 health care services issued, delivered, issued for delivery, executed, or renewed
165 by an insurer in this state.

166 (6) 'Insurer' means any person, corporation, or other entity authorized to provide health
167 benefit policies under this title.

168 (7) 'Mammogram' means a diagnostic or screening mammography exam using a
169 low-dose X-ray to produce an image of the breast.

170 (8) 'Supplemental breast screening examination' means a medically necessary and
171 clinically appropriate, as defined by the guidelines established by the National
172 Comprehensive Cancer Network as of January 1, 2022, examination of the breast,
173 including such examination using breast MRI, breast ultrasound, or mammogram, that

174 is:

175 (A) Used to screen for breast cancer when there is no abnormality seen or suspected
176 in the breast; or

177 (B) Based on personal or family medical history or additional factors that may
178 increase the individual's risk of breast cancer.

179 (b) A health benefit policy that provides coverage for diagnostic examinations for breast
180 cancer shall include provisions that ensure that the cost-sharing requirements applicable
181 to diagnostic and supplemental breast screening examinations are no less favorable than
182 the cost-sharing requirements applicable to screening mammography for breast cancer. 183 (c)
184 Nothing in this Code section shall be construed to preclude existing utilization review
185 provided under Chapter 46 of this title.

186 (d) If under federal law application of subsection (b) of this Code section would result in
187 Health Savings Account ineligibility under Section 223 of the Internal Revenue Code, such

cost-sharing requirement shall apply only for Health Savings Account qualified High Deductible Health Plans with respect to the deductible of such plan after the enrollee has satisfied the minimum deductible under Section 223 of the Internal Revenue Code, except with respect to items or services that are preventive care pursuant to Section 223(c)(2)(C) of the Internal Revenue Code, in which case the requirements of subsection (b) of this Code section shall apply regardless of whether the minimum deductible under Section 223
 192 of the Internal Revenue Code has been satisfied."

193 **PART III**

194 *Effective dates, applicability, and repealer*

195 **SECTION 3-1.**

196 (a) Except as otherwise provided in this section,
 this Act shall become effective upon its 197
 approval by the Governor or upon its becoming
 law without such approval.

198 (b) Part I of this Act shall become effective on July 1, 2022, and shall apply to all such 199
 policies and contracts issued, delivered, issued for delivery, or renewed on or after such date. 200

(c) Part II of this Act shall apply to all such policies and contracts issued, delivered, issued 201
 for delivery, or renewed on or after January 1, 2023.

202 **SECTION 3-2.**

203 All laws and parts of laws in conflict with this Act
 are repealed.