



BULLETIN 24-EX-7

TO: ALL INSURANCE COMPANIES, BROKERS, AND AGENTS SELLING,
SOLICITING, OR NEGOTIATING SURPLUS LINE INSURANCE IN THE
STATE OF GEORGIA

FROM: JOHN F. KING
INSURANCE AND SAFETY FIRE COMMISSIONER

DATE: July 18, 2024

RE: UNAUTHORIZED FEES

This bulletin addresses the same issue which is referenced in Bulletin 22-EX-4, and therefore this bulletin is meant to supercede and replace that of Bulletin 22-EX-4.

It has come to the attention of the Commissioner that surplus line insurers and brokers are collecting fees in violation of the Georgia Unfair Trade Practices Act. The purpose of this Directive is to remind surplus line insurers and brokers that it is unlawful to charge customers added fees in conjunction with the sale of a surplus line insurance policy. With specific exceptions, a surplus line insurer or broker may not collect any sum in excess of the premiums and charges for insurance specified by the insurer in the insurance policy.

Specifically, the instances in which reasonable fees may be charged are:

- The surplus lines producer includes the fee as a line item on the policy's declaration page;
- The fee is reported as premium for the purposes of taxation; and
- The fee is included in the calculation of surplus lines premium tax.

Pursuant to O.C.G.A. § 33-6-5(6)(B)(ii), the collection of fees outside of the prescribed methodology as described herein would be considered an unfair method of competition and unfair and deceptive act or practice in the business of insurance.

If you have any questions, please contact the Premium Tax Division at (404) 656-7553 or via email at premiumtax@oci.ga.gov.

JOHN F. KING
INSURANCE AND SAFETY FIRE COMMISSIONER
STATE OF GEORGIA