

## House Resolution 40

By: Representatives Douglas of the 78<sup>th</sup>, Williams of the 148<sup>th</sup>, Holcomb of the 101<sup>st</sup>, Taylor of the 173<sup>rd</sup>, Hugley of the 141<sup>st</sup>, and others

## A RESOLUTION

1 Creating the House Study Committee on Reinsurance for Essential Industries; and for other  
2 purposes.

3 WHEREAS, continual increases in both the frequency and severity of claims will increase  
4 the cost of the property and casualty reinsurance market, which results in higher premiums  
5 and lower coverage; and

6 WHEREAS, commercial property and casualty insurance brokers have reported quarterly  
7 price increases of an average of six percent ,which can pressure insured entities to purchase  
8 inadequate products that do not reflect their actual exposure; and

9 WHEREAS, the National Association of Insurance Commissioners states that rising claims  
10 costs driven primarily by increased frequency of severe storms and rising replacement costs  
11 continued to challenge United States property and casualty insurers; and

12 WHEREAS, these increasing prices disproportionately affect small businesses who may be  
13 forced to purchase lower limits that do not cover their replacement costs; and

14 WHEREAS, Georgia Commissioner of Agriculture Tyler Harper and Governor Brian P.  
15 Kemp, the University of Georgia College of Agricultural and Environmental Sciences, and  
16 the Georgia Forestry Commission announced the preliminary estimate of Hurricane Helene's  
17 economic impact on Georgia agriculture is \$6.46 billion; and

18 WHEREAS, Georgia Commissioner of Agriculture Tyler Harper stated, "The future is  
19 uncertain for thousands of Georgia farmers and farm families who were devastated by  
20 Hurricane Helene"; and

21 WHEREAS, increased capacity in Georgia's commercial property and casualty reinsurance  
22 market will significantly reduce the overhead costs for all businesses, especially small  
23 businesses.

24 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

25 (1) **Creation of House study committee.** There is created the House Study Committee  
26 on Reinsurance for Essential Industries.

27 (2) **Members and officers.**

28 (A) The committee shall be composed of seven members.

29 (B) The Speaker of the House of Representatives shall appoint five members of the  
30 House of Representatives who are members of the House Committee on Insurance.

31 (C) The Speaker shall also appoint an additional two nonlegislative members of the  
32 committee as follows:

33 (i) The Commissioner of Insurance, or his or her designee; and

34 (ii) The Commissioner of Agriculture, or his or her designee.

35 (D) The Speaker shall also designate a legislative member of the committee as  
36 chairperson of the committee.

37 (3) **Powers and duties.**

38 (A) The committee shall undertake a study of the conditions, needs, issues, and  
39 problems mentioned above and the terms and conditions necessary for public-private  
40 partnerships in Georgia's commercial property and casualty reinsurance market, under  
41 which the Georgia Department of Insurance will calculate reinsurance payments to  
42 issuers participating in Georgia's Reinsurance for Essential Industries Program.

43 (B) The committee shall identify:

- 44 (i) Ways in which the state can facilitate special risk pools with public-private funds;  
45 (ii) The approximate amount of funding necessary for premium reductions for special  
46 risk pools;  
47 (iii) Criteria to identify essential industries of strategic interest in the state facilitated  
48 special risk pools; and  
49 (iv) Industries whose premium reductions would be the most beneficial for Georgia's  
50 economy.

51 (C) The committee shall recommend any action or legislation which it deems necessary  
52 or appropriate.

53 (4) **Meetings.** The chairperson shall call all meetings of the committee. The committee  
54 may conduct such meetings at such places and at such times as it may deem necessary or  
55 convenient to enable it to exercise fully and effectively its powers, perform its duties, and  
56 accomplish the objectives and purposes of this resolution.

57 (5) **Allowances, expenses, and funding.**

58 (A) The legislative members of the committee shall receive the allowances provided  
59 for in Code Section 28-1-8 of the Official Code of Georgia Annotated.

60 (B) Members of the committee who are state officials, other than legislative members,  
61 or who are state employees shall receive no compensation for their services on the  
62 committee, but they may be reimbursed for expenses incurred by them in the

63 performance of their duties as members of the committee in the same manner as they  
64 are reimbursed for expenses in their capacities as state officials or employees.

65 (C) The allowances authorized by this resolution shall not be received by any member  
66 of the committee for more than five days unless additional days are authorized. Funds  
67 necessary to carry out the provisions of this resolution shall come from funds  
68 appropriated to the House of Representatives; except that funds for the reimbursement  
69 of the expenses of state officials, other than legislative members, and for the  
70 reimbursement of the expenses of state employees shall come from funds appropriated  
71 to or otherwise available to their respective agencies.

72 **(6) Report.**

73 (A) In the event the committee adopts any specific findings or recommendations that  
74 include suggestions for proposed legislation, the chairperson shall file a report of the  
75 same prior to the date of abolishment specified in this resolution, subject to  
76 subparagraph (C) of this paragraph.

77 (B) In the event the committee adopts a report that does not include suggestions for  
78 proposed legislation, the chairperson shall file the report, subject to subparagraph (C)  
79 of this paragraph.

80 (C) No report shall be filed unless the same has been approved prior to the date of  
81 abolishment specified in this resolution by majority vote of a quorum of the committee.  
82 A report so approved shall be signed by the chairperson of the committee and filed with  
83 the Clerk of the House of Representatives.

84 (D) In the absence of an approved report, the chairperson may file with the Clerk of the  
85 House of Representatives a copy of the minutes of the meetings of the committee in lieu  
86 thereof.

87 **(7) Abolishment.** The committee shall stand abolished on December 1, 2025.