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BULLETIN 18-EX-2

TO: ALL LICENSED PROPERTY AND CASUALTY INSURANCE COMPANIES IN THE
STATE OF GEORGIA

FROM: RALPH T. HUDGENS
INSURANCE AND SAFETY FIRE COMMISSIONER

DATE: FEBRUARY 21, 2018

RE: SURCHARGES & MULTIVEHICLE NOT-AT-FAULT ACCIDENTS

It has come to my attention that some automobile insurers are charging consumers who have been involved in a not-at-fault multivehicle accident more than consumers who are similarly situated, but have not been involved in a not-at-fault multivehicle accident. Some automobile insurers are of the mistaken impression that not-at-fault accidents can be used to rate upon initial underwriting. O.C.G.A. §33-9-40 clearly states that “no insurer shall surcharge the premium or rate charged on a policy of motor vehicle insurance...as a result of the insured person’s involvement in a multivehicle accident when such person was not at fault in such accident.” The statute does not differentiate between new and renewal rates. Therefore, it is the opinion of this office that O.C.G.A. §33-9-40 prohibits insurers from charging higher rates due to a not-at-fault multivehicle accident, whether that rate is being charged to a new customer or a customer that is renewing his or her policy.

My office is currently conducting an examination to uncover the scope of this practice in Georgia. Should you have any questions about this bulletin, please direct them to the Insurance Product Review Division at (404) 656-6876.

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