

Senate Bill 123

By: Senators Lucas of the 26th, Butler of the 55th, Orrock of the 36th, Thompson of the 5th,
Seay of the 34th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds
2 of insurance, risks, and reinsurance, so as to provide for certain requirements by any insurer
3 under a liability insurance policy covering automobile liability or motor vehicle liability
4 insurance policies issued in this state; to provide for certain rental car reimbursement
5 requirements; to provide for disclosure; to provide for applicability; to provide for related
6 matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds of
10 insurance, risks, and reinsurance, is amended by revising Code Section 33-7-11.1, relating
11 to commencement of liability of an insurer to pay benefits to a third party on behalf of an
12 insured and applicability of the Code section, as follows:

13 "33-7-11.1.

14 (a) As used in this Code section, the term 'liability insurance policy' means an automobile
15 liability or motor vehicle liability insurance policy issued or delivered in this state to the
16 owner of such vehicle or issued or delivered by any insurer licensed in this state upon any
17 such motor vehicle then principally garaged or principally used in this state.

18 (b) Any insurer, upon acceptance of liability, pursuant to any automobile liability or motor
19 vehicle liability insurance policy, shall pay reasonable benefits for losses, including total
20 losses, to a third party on behalf of an insured for loss of use and towing and storage costs
21 of such a motor vehicle, and the liability of the insurer for payment of benefits for losses,
22 including total losses, to the third party shall commence as of the time of the incident or
23 occurrence which results in such losses; provided, however, in no event shall this Code
24 section be construed so as to relieve the claimant of his or her obligation to mitigate his or
25 her losses or to require the payment of loss of use and towing and storage costs benefits in
26 an amount which is greater than the actual losses suffered.

27 (b.1) Any insurer, upon acceptance of liability, pursuant to any automobile liability or
28 motor vehicle liability insurance policy, shall:

29 (1) Pay, in addition to other benefits for losses to a third party on behalf of an insured,
30 for reimbursement for the cost of renting a vehicle used as substitute transportation if the
31 third party's vehicle is damaged and is temporarily out of use, until such vehicle is
32 repaired or declared a total loss;

33 (2) Provide immediate oral notice and written confirmation to the third party that such
34 third party has the right, as granted by this paragraph, to utilize any rental vehicle
35 company, rental vehicle company location, or any particular concern and receive full
36 reimbursement for such rental; and

37 (3) Provide immediate oral notice and written confirmation to the third party that such
38 third party has the right, as granted by this paragraph, to the use of and full rental
39 reimbursement of a rental vehicle which is similar in size and which provides the same
40 seating capacity as the vehicle for which the claim was filed.

41 (c) When making any payment to a third party for damage to an automobile for any loss,
42 the insurer shall have printed on the loss estimate, if prepared directly by the insurer, the
43 following:

44 'Failure to use the insurance proceeds in accordance with a security agreement between
45 you and a lienholder, if any, may be a violation of Code Section 16-8-4 of the O.C.G.A.

46 If you have any questions, contact your lending institution.'

47 This subsection does not apply if the insurer does not prepare the loss estimate or if the
48 estimate is not prepared in the State of Georgia.

49 (d) The provisions of this Code section shall be applicable to all automobile liability or
50 motor vehicle liability insurance policies that pay benefits to a third party on behalf of an
51 insured for the loss of use and towing and storage costs of such motor vehicle issued,
52 delivered, or renewed in this state on or after January 1, 2009.

53 (e) Subsection (b.1) of this Code section shall be applicable to all automobile liability or
54 motor vehicle liability insurance policies that pay benefits to a third party on behalf of an
55 insured for rental car payment or reimbursement in this state on or after July 1, 2015."

56 SECTION 2.

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