

House Bill 1157 (COMMITTEE SUBSTITUTE)

By: Representatives Barnard of the 154th and Shaw of the 176th

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 34 of Title 33 of the Official Code of Georgia Annotated, relating to
 2 motor vehicle accident reparations, so as to allow limited access by insurers to the records
 3 of the Department of Motor Vehicle Safety under certain circumstances; to amend Chapter 3
 4 of Title 40 of the Official Code of Georgia Annotated, relating to certificates of title, security
 5 interests, and liens on motor vehicles, so as to provide for the application of the proceeds of
 6 an insurance policy to multiple lienholders in the event of a total loss of the vehicle; to
 7 provide for the issuance of a title to the insurer after payment of a total loss; to provide for
 8 application for a certificate of title for a transferee other than by voluntary transfer, naming
 9 the insurer as transferee, in certain circumstances; to provide for related matters; to repeal
 10 conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Chapter 34 of Title 33 of the Official Code of Georgia Annotated, relating to motor vehicle
 14 accident reparations, is amended by inserting a new Code Section 33-34-9 to read as follows:

15 "33-34-9.

16 (a) Notwithstanding any other provision of law, in any claim involving a total loss of a
 17 vehicle which is subject to more than one lien, the proceeds of an insurance policy shall be
 18 applied to pay in full the debt owed to the senior lienholder before any proceeds of an
 19 insurance policy shall be applied to any other lien on the vehicle.

20 (b) For the purpose of implementing this Code section, at the discretion of the
 21 Commissioner of the Department of Motor Vehicle Safety, an insurer may be granted
 22 access via electronic means to individual motor vehicle records. Any such access shall be
 23 in accordance with Code Section 40-3-23, and the Department of Motor Vehicle Safety
 24 shall establish the application and approval process before allowing any such access. The
 25 information provided to an insurer pursuant to this Code section shall be limited to the
 26 verification of the vehicle owner's name, vehicle information, and any recorded security
 27 interests or liens as shown on the records of the Department of Motor Vehicle Safety."

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SECTION 2.

Chapter 3 of Title 40 of the Official Code of Georgia Annotated, relating to certificates of title, security interests, and liens on motor vehicles, is amended in Code Section 40-3-36, relating to cancellation of certificates of title for scrap, dismantled, or demolished vehicles; salvage certificates of title; and removal of license plates, by inserting a new subsection to be designated subsection (a.1) to read as follows:

"(a.1) In the case of a motor vehicle which is subject to more than one perfected security interest or lien which motor vehicle is a total loss, if the insurer is to acquire title to the damaged motor vehicle, the holder of the senior security interest or lien, upon receipt of the settlement proceeds of the insurance policy in accordance with Code Section 33-34-9, shall apply for a new certificate of title for a transferee other than by voluntary transfer in accordance with subsection (b) of Code Section 40-3-35, naming the insurer only as transferee."

SECTION 3.

Said chapter is further amended by adding a new Code Section 40-3-61 to read as follows:

"40-3-61.

Notwithstanding any other provision of law to the contrary, in any claim involving the total loss of a vehicle which is subject to more than one perfected security interest or lien as recorded on the title of the vehicle, the proceeds of the insurance policy shall be first applied to the debt owed to the first lienholder. In the event, that there are proceeds remaining after satisfying the first lienholder, the proceeds shall be then applied to the debt owed to the second and subsequent lienholders in order of priority and any proceeds remaining after the satisfaction of all such recorded liens shall be paid to the insured. If the amount of debt secured by such security interests or liens or the seniority of such security interests or liens is in doubt, any remaining funds shall be deposited with the court and a complaint for interpleader shall be filed in accordance with Code Section 9-11-22."

SECTION 4.

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