

House Bill 706

By: Representatives Powell of the 23rd and Parham of the 122nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 34 of Title 33 of the Official Code of Georgia Annotated, the "Georgia
2 Motor Vehicle Accident Reparations Act," so as to require certain insurance proceeds for
3 property damage or loss for a motor vehicle to be jointly payable to the holder of a security
4 interest in or lien on said motor vehicle and the claimant; to provide for a payment by an
5 insurer which violates the requirements of this provision; to declare provisions of an
6 insurance policy contrary to this requirement null and void; to repeal conflicting laws; and
7 for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 style="text-align:center">**SECTION 1.**

10 Chapter 34 of Title 33 of the Official Code of Georgia Annotated, the "Georgia Motor
11 Vehicle Accident Reparations Act," is amended by adding a new Code Section 33-34-9 to
12 read as follows:

13 "33-34-9.

14 (a) Whenever an insurer pays a first-party or third-party claim for property damage to a
15 motor vehicle or a first-party or third-party claim for fire, theft, or other comprehensive
16 loss on a motor vehicle, the insurance proceeds shall be payable jointly to the person
17 designated in the insurance policy to receive such proceeds and to the person shown on the
18 title records of the State of Georgia as having a first perfected security interest in or lien
19 on said motor vehicle.

20 (b) Any insurer which fails to comply with subsection (a) of this Code section shall be
21 liable to the holder of the first perfected security interest or lien in an amount equal to the
22 insurance proceeds actually paid.

23 (c) Any provision of any insurance policy or contract issued after July 1, 2001, which
24 attempts to modify, eliminate, or waive the requirements set forth in this Code section as
25 to the insurers shall be null and void and of no force or effect."

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SECTION 2.

2 All laws and parts of laws in conflict with this Act are repealed.