

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling
2 and other trade practices, so as to provide that persons entering into motor vehicle leases
3 which contain a requirement that the person shall maintain certain levels of insurance
4 coverage on such vehicle during the lease shall receive notice of such requirements prior to
5 executing the lease documents; to provide for the language of such notice; to provide for
6 consequences of failing to provide such notice; to provide a definition; to provide for related
7 matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other
11 trade practices, is amended by adding a new Article 2A to read as follows:

12 "ARTICLE 2A

13 10-1-45.

14 (a) As used in this article, the term:

15 (1) 'Motor vehicle' means any device or vehicle including automobiles, motorcycles,
16 motor trucks, trailers, and all other vehicles operated over the public highways and streets
17 of this state and propelled by power other than muscular power, but does not include
18 traction engines, road rollers, implements of husbandry and other agricultural equipment,
19 and such vehicles as run only upon a track.

20 (2) 'Motor vehicle lease contract' means an agreement between a lessor and a lessee
21 whereby the lessee obtains the possession and use of a motor vehicle for such period of
22 time, for such purposes, and for such consideration as set forth in the agreement.

23 (b) Prior to executing a motor vehicle lease contract that contains any requirement that the
24 lessee shall maintain certain levels of insurance coverage and deductible limits on such

1 vehicle during the lease term, the lessor shall provide such lessee with a separate written
2 notice in the form prescribed in this article which shall be printed in at least 12 point type.
3 The lessee shall acknowledge receipt of the notice by signing the notice. The lessor shall
4 maintain a copy of such signed notice and acknowledgment and shall provide the lessee
5 with a copy of such signed notice and acknowledgment.

6 (c) Failure to provide such notice and to obtain an acknowledgment of such notice from
7 the lessee shall result in any provision of the motor vehicle lease contract concerning
8 insurance coverage and deductible limits being unenforceable by the lessor against the
9 lessee.

10 (d) The notice required by this Code section shall be in substantially the following form:

11 **NOTICE OF REQUIREMENT OF INSURANCE**

12 You are about to enter into a contract for the lease of a motor vehicle which contains a
13 requirement that you maintain certain insurance and deductible limits on such motor
14 vehicle during the term of such lease. Specifically, you will be required to maintain
15 insurance coverage on the motor vehicle which provides, at a minimum, the following
16 coverages and maximum deductible limits:

17 (Describe the required motor vehicle insurance requirements including minimum
18 coverages and any limits on the amount of the deductibles under such coverages.)

19 You will have to provide this insurance coverage with the specified deductible limits, if
20 any, and pay the premiums for such coverage. These requirements may be different from
21 the motor vehicle insurance coverage that you presently have or previously had on your
22 motor vehicles and consequently may cost more than your current or previous coverages.
23 You may desire to consult with your insurance agent on what these costs may be prior to
24 executing the motor vehicle lease contract to ensure that you fully understand the costs
25 in leasing the motor vehicle.

26 I hereby acknowledge receipt of this notice. This _____ day of _____, _____.

27 _____
28 Lessee"

29 **SECTION 2.**

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