

House Bill 673

By: Representative Hembree of the 67<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 33-7-11.1 of the Official Code of Georgia Annotated, relating to the  
2 commencement of liability of insurer to pay benefits to a third party on behalf of the insured,  
3 so as to provide for a third party's lienholder to be included on any settlement draft or  
4 payment; to provide for applicability; to provide for related matters; to repeal conflicting  
5 laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 33-7-11.1 of the Official Code of Georgia Annotated, relating to the  
9 commencement of liability of insurer to pay benefits to a third party on behalf of the insured,  
10 is amended by revising subsection (b) and adding a new subsection as follows:

11 "(b) Any insurer, upon acceptance of liability, pursuant to any automobile liability or  
12 motor vehicle liability insurance policy, shall pay reasonable benefits for losses, including  
13 total losses, to a third party and when there is actual or constructive notice of a third-party  
14 lienholder to the lienholder on behalf of an insured for loss of use and towing and storage  
15 costs of such a motor vehicle, and the liability of the insurer for payment of benefits for  
16 losses, including total losses, to the third party and lienholder shall commence as of the  
17 time of the incident or occurrence which results in such losses; provided, however, in no  
18 event shall this Code section be construed so as to relieve the claimant of his or her  
19 obligation to mitigate his or her losses or to require the payment of loss of use and towing  
20 and storage costs benefits in an amount which is greater than the actual losses suffered."

21 "(d) The provisions of this Code section shall be applicable to all automobile liability or  
22 motor vehicle liability insurance policies that pay benefits to a third party and such party's  
23 lienholder when the insurer has actual or constructive notice thereof issued, delivered, or  
24 renewed in this state on or after July 1, 2007."

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**SECTION 2.**

2 All laws and parts of laws in conflict with this Act are repealed.