

Senate Bill 276

By: Senators Staton of the 18th, Harp of the 29th, Shafer of the 48th, Murphy of the 27th, Mullis of the 53rd and others

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

To amend Chapter 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds of insurance, so as to provide that an uninsured motor vehicle includes a motor vehicle for which the available coverages are inadequate to cover a person's bodily injury and property damage losses and that such motor vehicle shall be considered uninsured to the full extent of the limits of the uninsured motorist coverage provided under the insured's motor vehicle insurance policy; to provide that the issuer of a motor vehicle liability policy may not deny coverage because of noncooperation by the insured; to provide for related matters; to provide an effective date and for applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds of insurance, is amended by revising subparagraph (b)(1)(D) of Code Section 33-7-11, relating to uninsured motorist coverage under motor vehicle liability policies, as follows:

"(D) 'Uninsured motor vehicle' means a motor vehicle, other than a motor vehicle owned by or furnished for the regular use of the named insured, the spouse of the named insured, and, while residents of the same household, the relative of either, as to which there is:

- (i) No bodily injury liability insurance and property damage liability insurance;
- (ii) Bodily injury liability insurance and property damage liability insurance with available coverages ~~which are less than the limits of the uninsured motorist coverage provided under the insured's insurance policy, but the motor vehicle shall only be considered to be uninsured for the amount of the difference between the available coverages under the bodily injury liability insurance and property damage liability insurance coverages on such motor vehicle and the limits of the uninsured motorist coverage provided under the insured's motor vehicle insurance policy, and for but~~

1 such coverages are inadequate to cover fully the insured's bodily injury and property
2 damage losses. Such motor vehicle shall be considered uninsured to the full extent
3 of the limits of the uninsured motorist coverage provided under the insured's motor
4 vehicle insurance policy and such coverage is intended to be applicable to the
5 insured's losses in addition to the amounts payable under any available bodily injury
6 liability insurance and property damage liability insurance coverages. For this
7 purpose available coverages under the bodily injury liability insurance and property
8 damage liability insurance coverages on such motor vehicle shall be the limits of
9 coverage less any amounts by which the maximum amounts payable under such limits
10 of coverage have, by reason of payment of other claims or otherwise, been reduced
11 below the limits of coverage;

12 (iii) Bodily injury liability insurance and property damage liability insurance in
13 existence but the insurance company writing the insurance has legally denied
14 coverage under its policy;

15 (iv) Bodily injury liability and property damage liability insurance in existence but
16 the insurance company writing the insurance is unable, because of being insolvent,
17 to make either full or partial payment with respect to the legal liability of its insured,
18 provided that in the event that a partial payment is made by or on behalf of the
19 insolvent insurer with respect to the legal liability of its insured then the motor vehicle
20 shall only be considered to be uninsured for the amount of the difference between the
21 partial payment and the limits of the uninsured motorist coverage provided under the
22 insured's motor vehicle insurance policy; or

23 (v) No bond or deposit of cash or securities in lieu of bodily injury and property
24 damage liability insurance."

25 **SECTION 2.**

26 This Act shall become effective on July 1, 2007, and shall apply to all policies issued,
27 delivered, issued for delivery, or renewed in this state on and after such date.

28 **SECTION 3.**

29 Said chapter is further amended by revising subsection (b) of Code Section 33-7-15, relating
30 to cooperation by insured with insurer in connection with defense of action or threatened
31 action under policy, as follows:

32 "(b) Noncompliance by the insured with this required provision or endorsement shall
33 constitute a breach of the insurance contract which, if prejudicial to the insurer, shall
34 relieve the insurer of its obligation to defend its insureds under the policy ~~and of~~ but shall

3 **SECTION 4.**
4 All laws and parts of laws in conflict with this Act are repealed.

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