

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

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 limit coverages under uninsured motorist provisions to automobile and motor vehicle liability
3 policies and exclude umbrella and excess liability policies; to change the definition of
4 "uninsured motor vehicle" to allow uninsured motorist coverage to be stacked with other
5 available liability coverages; to allow insureds to select more restrictive uninsured motorist
6 coverages; changes standards applicable to making and use of rates; changes prior approval
7 requirements above mandatory minimum limits; to provide for related matters; to provide for
8 effective dates and applicability; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

11 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
12 revising subsections (a) and (b) of Code Section 33-7-11, relating to uninsured motorist
13 coverage under motor vehicle liability policies, as follows:

14 "(a)(1) No automobile liability policy or motor vehicle liability policy shall be issued or
15 delivered in this state to the owner of such vehicle or shall be issued or delivered by any
16 insurer licensed in this state upon any motor vehicle then principally garaged or
17 principally used in this state unless it contains an endorsement or provisions undertaking
18 to pay the insured damages for bodily injury, loss of consortium or death of an insured,
19 or for injury to or destruction of property of an insured under the named insured's policy
20 sustained from the owner or operator of an uninsured motor vehicle, within limits
21 exclusive of interests and costs which at the option of the insured shall be:

22 (A) Not less than \$25,000.00 because of bodily injury to or death of one person in any
23 one accident, and, subject to such limit for one person, \$50,000.00 because of bodily
24 injury to or death of two or more persons in any one accident, and \$25,000.00 because
25 of injury to or destruction of property; or

1 (B) Equal to the limits of liability because of bodily injury to or death of one person
 2 in any one accident and of two or more persons in any one accident, and because of
 3 injury to or destruction of property of the insured which is contained in the insured's
 4 personal coverage in the automobile liability policy or motor vehicle liability policy
 5 issued by the insurer to the insured if those limits of liability exceed the limits of
 6 liability set forth in subparagraph (A) of this paragraph. In any event, the insured may
 7 affirmatively choose uninsured motorist limits in an amount less than the limits of
 8 liability.

9 (2) The coverages for bodily injury or death or for injury to or destruction of property
 10 of an insured person, as provided in paragraph (1) of this subsection, may be subject to
 11 deductible amounts as follows:

12 (A) For bodily injury or death, deductibles of \$250.00, \$500.00, or \$1,000.00, at the
 13 option of any named insured in the policy. Deductibles above \$1,000.00 may be
 14 offered, subject to approval of the Commissioner;

15 (B) For injury to or destruction of property of the insured, deductibles of \$250.00,
 16 \$500.00, or \$1,000.00, at the option of any named insured in the policy. Deductibles
 17 above \$1,000.00 may be offered, subject to the approval of the Commissioner;

18 (C) Deductible amounts shown in subparagraphs (A) and (B) of this paragraph may not
 19 be reduced below \$250.00;

20 (D) Deductible amounts shown in subparagraphs (A) and (B) of this paragraph shall
 21 be made available at a reduced premium; and

22 (E) Where an insurer has combined into one single limit the coverages required under
 23 paragraph (1) of this subsection, any deductible selected under subparagraphs (A)
 24 and (B) of this paragraph shall be combined, and the resultant total shall be construed
 25 to be a single aggregate deductible.

26 (3) The coverage required under paragraph (1) of this subsection shall not be applicable
 27 where any insured named in the policy shall reject the coverage in writing. The coverage
 28 required under paragraph (1) of this subsection excludes umbrella or excess liability
 29 policies unless affirmatively provided for in such policies or in a policy endorsement.
 30 The coverage need not be provided in or supplemental to a renewal policy where the
 31 named insured had rejected the coverage in connection with a policy previously issued
 32 to said insured by the same insurer. The amount of coverage need not be increased in a
 33 renewal policy from the amount shown on the declarations page for coverage existing
 34 prior to July 1, 2001. The amount of coverage need not be increased from the amounts
 35 shown on the declarations page on renewal once coverage is issued.

36 (4) The filing of a petition for relief in bankruptcy under a chapter of Title 11 of the
 37 United States Code by an uninsured motorist as defined in this Code section, or the

1 appointment of a trustee in bankruptcy for an uninsured motorist as defined in this Code
2 section, or the discharge in bankruptcy of an uninsured motorist as defined in this Code
3 section shall not affect the legal liability of an uninsured motorist as the term 'legal
4 liability' is used in this Code section, and such filing of a petition for relief in voluntary
5 or involuntary bankruptcy, the appointment of a trustee in bankruptcy, or the discharge
6 in bankruptcy of such an uninsured motorist shall not be pleaded by the insurance carrier
7 providing uninsured motorist protection in bar of any claim of an insured person as
8 defined in this Code section so as to defeat payment for damages sustained by any
9 insured person by the insurance company providing uninsured motorist protection and
10 coverage under the terms of this chapter as now or hereafter amended; but the insurance
11 company or companies shall have the right to defend any such action in its own name or
12 in the name of the uninsured motorist and shall make payment of any judgment up to the
13 limits of the applicable uninsured motorist insurance protection afforded by its policy.
14 In those cases, the uninsured motorist upon being discharged in bankruptcy may plead
15 the discharge in bankruptcy against any subrogation claim of any uninsured motorist
16 carrier making payment of a claim or judgment in favor of an uninsured person, and the
17 uninsured motorist may plead said motorist's discharge in bankruptcy in bar of all
18 amounts of an insured person's claim in excess of uninsured motorist protection available
19 to the insured person.

20 (b)(1) As used in this Code section, the term:

21 (A) 'Bodily injury' shall include death resulting from bodily injury.

22 (B) 'Insured' means the named insured and, while resident of the same household, the
23 spouse of any such named insured and relatives of either, while in a motor vehicle or
24 otherwise; any person who uses, with the expressed or implied consent of the named
25 insured, the motor vehicle to which the policy applies; a guest in such motor vehicle to
26 which the policy applies; or the personal representatives of any of the above. For
27 policies issued or renewed on or after July 1, 2006, the term 'insured' shall also mean
28 a foster child or ward residing in the household of the named insured pursuant to a court
29 order, guardianship, or placement by the Department of Family and Children Services
30 or other department or agency of the state, while in a motor vehicle or otherwise.

31 (C) 'Property of the insured' as used in subsection (a) of this Code section means the
32 insured motor vehicle and includes the personal property owned by the insured and
33 contained in the insured motor vehicle.

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

1 (i) No bodily injury liability insurance and property damage liability insurance;
2 (ii) Bodily injury liability insurance and property damage liability insurance with
3 ~~available coverages which are less than the limits of the uninsured motorist coverage~~
4 ~~provided under the insured's insurance policy, but the motor vehicle shall only be~~
5 ~~considered to be uninsured for the amount of the difference between the available~~
6 ~~coverages under the bodily injury liability insurance and property damage liability~~
7 ~~insurance coverages on such motor vehicle and the limits of the uninsured motorist~~
8 ~~coverage provided under the insured's motor vehicle insurance policy; and for this~~
9 ~~purpose available coverages under the bodily injury liability insurance and property~~
10 ~~damage liability insurance coverages on such motor vehicle shall be the limits of~~
11 ~~coverage less any amounts by which the maximum amounts payable under such limits~~
12 ~~of coverage have, by reason of payment of other claims or otherwise, been reduced~~
13 ~~below the limits of coverage and the insured has uninsured motorist coverage~~
14 ~~provided under the insured's motor vehicle insurance policy; the motor vehicle shall~~
15 ~~be considered uninsured, and the amount of available coverages shall be as follows:~~

16 (I) Such motor vehicle shall be considered uninsured to the full extent of the limits
17 of the uninsured motorist coverage provided under the insured's motor vehicle
18 insurance policies, and such coverages shall apply to the insured's losses in addition
19 to the amounts payable under any available bodily injury liability and property
20 damage liability insurance coverages. The insured's uninsured motorist coverage
21 shall not be used to duplicate payments made under any available bodily injury
22 liability insurance and property damage liability insurance coverages but instead
23 shall be available as additional insurance coverage in excess of any available bodily
24 injury liability insurance and property damage liability insurance coverages;
25 provided, however, that the insured's combined recovery from the insured's
26 uninsured motorist coverages and the available coverages under the bodily injury
27 liability insurance and property damage liability insurance on such uninsured motor
28 vehicle shall not exceed the sum of all economic and noneconomic losses sustained
29 by the insured. For purposes of this subdivision, available coverages under the
30 bodily injury liability insurance and property damage liability insurance coverages
31 on such motor vehicle shall be the limits of coverage less any amounts by which the
32 maximum amounts payable under such limits of coverage have, by reason of
33 payment of other claims or otherwise, been reduced below the limits of coverage;

34 (II) Provided, however, that an insured may reject the coverage referenced in
35 subdivision (I) of this division and select in writing coverage for the occurrence of
36 sustaining losses from the owner or operator of an uninsured motor vehicle that
37 considers such motor vehicle to be uninsured only for the amount of the difference

1 between the available coverages under the bodily injury liability insurance and
 2 property damage liability insurance coverages on such motor vehicle and the limits
 3 of the uninsured motorist coverages provided under the insured's motor vehicle
 4 insurance policies; and, for purposes of this subdivision, available coverages under
 5 the bodily injury liability insurance and property damage liability insurance
 6 coverages on such motor vehicle shall be the limits of coverage less any amounts
 7 by which the maximum amounts payable under such limits of coverage have, by
 8 reason of payment of other claims or otherwise, been reduced below the limits of
 9 coverage; and

10 (III) Neither coverage under subdivision (I) nor (II) of this division shall be
 11 applicable if the insured rejects such coverages as provided in paragraph (3) of
 12 subsection (a) of this Code section. For private passenger motor vehicle insurance
 13 policies in effect on January 1, 2009, insurers shall send to their insureds who have
 14 not rejected coverage pursuant to paragraph (3) of subsection (a) of this Code
 15 section a notice at least 45 days before the first renewal of such policies advising of
 16 the coverage options set forth in this division. Such notice shall not be required for
 17 any subsequent renewals for policies in effect on January 1, 2009, or for any
 18 renewals for policies issued after January 1, 2009. The coverage set forth in
 19 subdivision (I) of this division need not be provided in or supplemental to a renewal
 20 policy where the named insured has rejected the coverage set forth in subdivision (I)
 21 of this division and selected the coverage set forth in subdivision (II) of this division
 22 in connection with a policy previously issued to said insured by the same insurer;

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

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

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

36 (2) A motor vehicle shall be deemed to be uninsured if the owner or operator of the
 37 motor vehicle is unknown. In those cases, recovery under the endorsement or provisions

1 shall be subject to the conditions set forth in subsections (c) through (j) of this Code
 2 section, and, in order for the insured to recover under the endorsement where the owner
 3 or operator of any motor vehicle which causes bodily injury or property damage to the
 4 insured is unknown, actual physical contact ~~must~~ shall have occurred between the motor
 5 vehicle owned or operated by the unknown person and the person or property of the
 6 insured. Such physical contact shall not be required if the description by the claimant of
 7 how the occurrence occurred is corroborated by an eyewitness to the occurrence other
 8 than the claimant."

9 **SECTION 2.**

10 Said title is further amended by revising subsection (i) of Code Section 33-7-11, relating to
 11 uninsured motorist coverage under motor vehicle liability policies, as follows:

12 "(i) In addition to any offsets or reductions contained in the provisions of division
 13 (b)(1)(D)(ii) of this Code section, an ~~The~~ endorsement or the provisions of the policy
 14 providing the coverage required by this Code section may contain provisions which
 15 exclude any liability of the insurer for injury to or destruction of property of the insured for
 16 which ~~he~~ such insured has been compensated by other property or physical damage
 17 insurance and may contain provisions which exclude any liability of the insurer for
 18 personal or bodily injury or death for which the insured has been compensated pursuant to
 19 'medical payments coverage,' as such term is defined in paragraph (1) of Code Section
 20 33-34-2, or compensated pursuant to workers' compensation laws."

21 **SECTION 3.**

22 Said title is further amended by revising paragraph (2) of Code Section 33-9-4, relating to
 23 standards applicable to making and use of rates, as follows:

24 "(2) No rate shall be held to be excessive unless such rate is unreasonably high for the
 25 insurance provided and a reasonable degree of competition does not exist in the area with
 26 respect to the classification to which such rate is applicable; provided, however, with
 27 respect to rate filings involving an increase in rates, no rate for personal private passenger
 28 motor vehicle insurance shall be held to be excessive unless such rate is unreasonably
 29 high for the insurance provided and a reasonable degree of competition does not exist;"

30 **SECTION 4.**

31 Said title is further amended by revising subsections (b) and (c) of Code Section 33-9-21,
 32 relating to maintenance and filing of rates, rating plans, rating systems, or underwriting rules
 33 and examination of claim reserve practices by the Commissioner, as follows:

1 "(b) Any domestic, foreign, or alien insurer that is authorized to write insurance in this
2 state must file with the Commissioner any rate, rating plan, rating system, or underwriting
3 rule for all personal private passenger motor vehicle insurance. ~~No:~~

4 (1) For private passenger motor vehicle insurance providing only the mandatory
5 minimum limits required by Code Section 33-34-4 and subsection (a) of Code
6 Section 40-9-37, no such rate, rating plan, rating system, or underwriting rule will shall
7 become effective, nor may any premium be collected by any insurer thereunder, unless
8 the filing has been received by the Commissioner in his or her office and such filing has
9 been approved by the Commissioner or a period of 45 days has elapsed from the date
10 such filing was received by the Commissioner during which time such filing has not been
11 disapproved by the Commissioner. The Commissioner shall be authorized to extend such
12 45 day period by no more than 55 days at his or her discretion. If a filing is disapproved,
13 notice of such disapproval order shall be given within 100 days of receipt of filing by the
14 Commissioner, specifying in what respects such filing fails to meet the requirements of
15 this chapter. The filer shall be given a hearing upon written request made within 30 days
16 after the issuance of the disapproval order, and such hearing shall commence within 30
17 days after such request unless postponed by mutual consent. Such hearing, once
18 commenced, may be postponed or recessed by the Commissioner only for weekends,
19 holidays, or after normal working hours or at any time by mutual consent of all parties
20 to the hearing. The Commissioner may also, at his or her discretion, recess any hearing
21 for not more than two recess periods of up to 15 consecutive days each. In connection
22 with any hearing or judicial review with respect to the approval or disapproval of such
23 rates, the burden of persuasion shall fall upon the affected insurer or insurers to establish
24 that the challenged rates are adequate, not excessive, and not unfairly discriminatory.
25 After such a hearing, the Commissioner must affirm, modify, or reverse his or her
26 previous action within the time period provided in subsection (a) of Code Section 33-2-23
27 relative to orders of the Commissioner. The requirement of approval or disapproval of a
28 rate filing by the Commissioner under this subsection shall not prohibit actions by the
29 Commissioner regarding compliance of such rate filing with the requirements of Code
30 Section 33-9-4 brought after such approval or disapproval.

31 (2) For private passenger motor vehicle insurance other than that described in
32 paragraph (1) of subsection (b) of Code Section 33-9-21, such rate, rating plan, rating
33 system, or underwriting rule for all such private passenger motor vehicle insurance shall
34 be effective upon filing and shall be implemented without approval of the Commissioner.
35 This subsection shall apply to the entire private passenger motor vehicle insurance policy
36 with limits above the mandatory minimum required by Code Section 33-34-4 and
37 subsection (a) of Code Section 40-9-37 and shall apply to the entire private passenger

1 motor vehicle policy with minimum limits if such policy has any additional
2 nonmandatory coverage or coverages.

3 (c) When a rate filing of an insurer required under paragraph (1) of subsection (b) of this
4 Code section is not accompanied by the information upon which the insurer supports the
5 filing and the Commissioner does not have sufficient information to determine whether the
6 filing meets the requirements of this chapter, then the Commissioner ~~must~~ shall request in
7 writing, within 20 days of the date he or she receives the filing, the specifics of such
8 additional information as he or she requires, and the insurer shall be required to furnish
9 such information, and in such event the 45 day period provided for in paragraph (1) of
10 subsection (b) of this Code section shall commence as of the date such information is
11 furnished."

12 **SECTION 5.**

13 (a) Except as otherwise provided by subsection (b) of this section, this Act shall become
14 effective on January 1, 2009, and shall apply to all policies issued, delivered, issued for
15 delivery, or renewed in this state on and after such date.

16 (b) Sections 3 and 4 of this Act shall become effective on October 1, 2008.

17 **SECTION 6.**

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