

House Bill 736

By: Representatives Bruce of the 64<sup>th</sup>, McKillip of the 115<sup>th</sup>, Mosby of the 90<sup>th</sup>, Frazier of the 123<sup>rd</sup>, Dawkins-Haigler of the 93<sup>rd</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated,  
2 relating to general provisions relative to insurance, so as to prohibit the use of discretionary  
3 clauses in disability insurance contracts; to provide for definitions; to provide for related  
4 matters; to provide for applicability; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to  
8 general provision relative to insurance, is amended by adding a new Code section to read as  
9 follows:

10 "33-24-18.1.

11 (a) As used in this Code section, the term:

12 (1) 'Commissioner' means the Commissioner of Insurance.

13 (2) 'Disability income protection coverage' means a policy, contract, certificate, or  
14 agreement that provides for periodic payments, weekly or monthly, for a specified period  
15 during the continuance of disability resulting from either sickness or injury or a  
16 combination of them.

17 (3) 'Person' means an individual, a corporation, a partnership, an association, a joint  
18 venture, a joint stock company, a trust, an unincorporated organization, any similar entity,  
19 or combination of the foregoing.

20 (b) No policy, contract, certificate, or agreement offered, issued, or delivered in this state  
21 providing for disability income protection coverage shall contain a provision purporting  
22 to reserve discretion to the insurer to interpret the terms of the contract, or to provide  
23 standards of interpretation or review that are inconsistent with the laws of this state.

24 (c) Any person who knowingly or negligently violates this Code section shall be subject  
25 to the penalties provided by Code Section 33-2-24 or to any greater applicable penalty  
26 provided by law."

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**SECTION 2.**

28 This Act shall be applicable to policies issued on or renewed after July 1, 2012.

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**SECTION 3.**

30 All laws and parts of laws in conflict with this Act are repealed.