

The Senate Committee on Insurance and Labor offered the following substitute to HB 375:

A BILL TO BE ENTITLED
AN ACT

To amend Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance generally, so as to provide for cancellations under certain circumstances relating to policy terms that permit an audit and noncompliance by the insured; to provide for related matters; to provide for applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance generally, is amended by adding a new subsection to Code Section 33-24-44, relating to cancellation of policies generally, to read as follows:

"(d.2) If the terms of a policy permit an audit and the insured fails to submit to or allow an audit for the current or most recently expired term, the insurer may, after two documented efforts to notify the policyholder and the policyholder's agent of potential cancellation, send via certified mail or statutory overnight delivery, return receipt requested, written notice to the named insured at least ten days prior to the effective date of cancellation in lieu of the number of days' notice otherwise required by law; provided, however, that no cancellation notice shall be mailed within 20 days of the first documented effort to notify the policyholder of potential cancellation."

SECTION 2.

This Act shall be applicable to policies issued or renewed on or after July 1, 2014.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.