

Senate Bill 137

By: Senators Harbin of the 16th, Thompson of the 14th, McKoon of the 29th, Ligon, Jr. of the 3rd, Stone of the 23rd and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 32 of Title 33 of the Official Code of Georgia Annotated, relating to
2 property insurance, so as to expand the ownership restriction as it relates to the application
3 of the value of the property covered against loss by fire; to repeal conflicting laws; and for
4 other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 Chapter 32 of Title 33 of the Official Code of Georgia Annotated, relating to property
8 insurance, is amended by revising Code Section 33-32-5, relating to the amount of insurance
9 in certain fire policies deemed conclusive as to value of property covered, as follows:

10 "33-32-5.

11 (a) Whenever any policy of insurance is issued to a natural person or persons or to any
12 limited liability corporation owned by three or less natural persons, insuring a specifically
13 described one or two family residential building or structure located in this state against
14 loss by fire and the building or structure is wholly destroyed by fire without fraudulent or
15 criminal fault on the part of the insured or one acting in his or her behalf, the amount of
16 insurance set forth in the policy relative to the building or structure shall be taken
17 conclusively to be the value of the property, except to the extent of any depreciation in
18 value occurring between the date of the policy or its renewal and the loss, provided that,
19 if loss occurs within 30 days of the original effective date of the policy, the insured shall
20 be entitled to the actual loss sustained not exceeding the sum insured. Nothing in this Code
21 section shall be construed as prohibiting the use of coinsurance or as preventing the insurer
22 from repairing or replacing damaged property at its own expense without contribution on
23 the part of the insured.

24 (b) Subsection (a) of this Code section shall not apply where:

25 (1) The building or structure is not wholly destroyed by fire;

- 26 (2) Insurance policies are issued or renewed by more than one company insuring the
27 same building or structure against fire and the existence of the additional insurance is not
28 disclosed by the insured to all insurers issuing policies;
- 29 (3) Two or more buildings or structures are insured under a blanket form for a single
30 amount of insurance; or
- 31 (4) The completed value of a building or structure is insured under a builders' risk
32 policy."

33 **SECTION 2.**

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