

The Senate Committee on Insurance and Labor offers the following substitute to SB 137:

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:

**SECTION 1.**

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

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

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

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

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

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**SECTION 2.**

33 All laws and parts of laws in conflict with this Act are repealed.