

House Bill 610

By: Representative Wilkinson of the 52nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 25 of Title 33 of the Official Code of Georgia Annotated, relating to life
2 insurance, so as to change certain provisions relating to the payment of interest on proceeds
3 or payments under policies of life insurance; to define a term; to provide for applying the
4 payment of interest to a group policy of life insurance; to change the computation to the date
5 of receipt of certain documents; to provide for related matters; to repeal conflicting laws; and
6 for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 25 of Title 33 of the Official Code of Georgia Annotated, relating to life insurance,
10 is amended by revising Code Section 33-25-10, relating to payment of interest on proceeds
11 or payments under policies, as follows:

12 "33-25-10.

13 (a) As used in this Code section, a 'substantially completed application or other written
14 claim for the policy proceeds' shall include the name of the beneficiary or beneficiaries
15 named in the policy, the policy number, the name, date of birth, and date of death of the
16 policy owner together with a certified copy of a death certificate confirming the date of
17 death of the insured issued in accordance with the provisions of Code Sections 31-10-17
18 and 45-16-26.

19 (a.1) Each insurer admitted to transact life insurance in this state shall pay interest on
20 proceeds or payments under any individual or group policy of life insurance, payable to a
21 beneficiary residing in this state or to a beneficiary under a policy issued in this state or to
22 a beneficiary under a policy insuring a person resident in this state at the time of death.

23 (b) Interest payable pursuant to subsection ~~(a)~~ (a.1) of this Code section shall be computed
24 from the ~~insured's death~~ date of receipt by the insurer of a substantially completed
25 application or other written request for payment of the policy proceeds and reasonable

26 proof of death of the insured until the date of payment and shall be at the following rate of
 27 interest:

28 (1) In the event an action to recover the proceeds due under such policy is commenced
 29 and results in a judgment against the insurer, interest shall be computed at the legal rate
 30 of interest; or

31 (2) In the event no such action has been commenced, interest shall be computed daily at
 32 the ~~greater of the rate of 6 percent per annum or the highest~~ interest rate currently paid
 33 by the insurer on proceeds left ~~under an interest settlement option~~ on deposit with the
 34 insurer; provided, however, that when a substantially completed application or claim for
 35 the policy proceeds is filed with the insurer, interest shall be computed daily from 30 days
 36 after the ~~date the claim is filed until the date of payment at the rate of 12 percent~~ date of
 37 receipt by the insurer of a substantially completed application or other written request for
 38 payment of the policy proceeds at the rate then being paid on deposits left with the
 39 insurer.

40 (c) This Code section shall not:

41 (1) Apply to proceeds under any such policy paid within 30 days after the date of death
 42 of the insured;

43 (2) Require the payment of interest in an amount of less than \$5.00;

44 (3) Apply to policies of credit life insurance;

45 (4) Require the payment of interest for any period during which an insurer is required to
 46 pay interest under any state or federal law pertaining to interpleader; or

47 (5) Apply to any individual policy issued within 12 months of the death of the insured.

48 (d) For the purposes of this Code section, payment shall be deemed to have been received
 49 by a resident when manually delivered by an agent or representative of the insuring
 50 company or when deposited by the insuring company in the United States mail, postage
 51 prepaid, and directed to the resident at his or her last known address as evidenced by the
 52 business records of the insuring company.

53 (e)(1) For the purposes of this Code section, a claim shall be deemed to have been filed
 54 with an insurer on the date that the insurer receives a substantially completed application
 55 or other written notice for the policy proceeds ~~and reasonable proof of death of the~~
 56 ~~insured~~.

57 (2) In cases of group life insurance, a claim shall be deemed to have been filed on the
 58 date that the insurer receives the information provided in paragraph (1) of this subsection
 59 and receives from the group policyholder written evidence of eligibility for coverage."

60 SECTION 2.

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