House Bill 1263 (AS PASSED HOUSE AND SENATE)

By: Representative Golick of the 34th, Post 3, and Mitchell of the 61st, Post 3

A BILL TO BE ENTITLED

AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to authorize service of orders and notices by electronic mail; to impose a penalty for violations; to apply the penalty provision to all violations of Code Section 33-1-9, relating to insurance fraud; to define the term "claim against a policy"; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by adding a new subsection (d) to Code Section 33-2-10, relating to issuance and service of orders and notices, to read as follows:

"(d) In addition to the service provisions set forth in subsection (c) of this Code section, any order of the Commissioner issued to multiple recipients in the form of a general directive, data call, or bulletin may be served by sending it by electronic mail, so that receipt is acknowledged by the recipient, to the electronic mail address on record in the Commissioner´s office. The Commissioner shall also post such general directive, data call, or bulletin contemporaneously on the department´s website."

SECTION 1A.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by striking subsection (e) of Code Section 33-1-9, relating to insurance fraud, and inserting in lieu thereof a new subsection (e) to read as follows:

"(e) A natural person convicted of a violation of ~~subsection (a) of~~ this Code section shall be guilty of a felony and shall be punished by imprisonment for not less than two nor more than ten years, or by a fine of not more than $10,000.00, or both."

SECTION 2.

Said title is further amended by striking subsection (b) of Code Section 33-24-46 of the Official Code of Georgia Annotated, relating to cancellation and nonrenewal of certain property insurance policies, and inserting in lieu thereof a new subsection (b) to read as follows:

"(b) As used in this Code section, the term:

(1) 'Claim against a policy' means a contact with an insurer by the insured under the policy or an affected third party for the express purpose of seeking payment of proceeds under the terms of the policy in question. A report of loss or a question relating to coverage shall not independently establish a claim against a policy nor be considered as a claim under Article 2 of Chapter 6 of this title.

(2) 'Nonrenewal' or 'nonrenewed' means a refusal by an insurer or an affiliate of an insurer to renew. Failure of an insured to pay the premium as required of the insured for renewal after the insurer has manifested a willingness to renew by delivering a renewal policy, renewal certificate, or other evidence of renewal to the named insured or his or her representative or has offered to issue a renewal policy, certificate, or other evidence of renewal or has manifested such intention by any other means shall not be construed to be a nonrenewal.

~~(2)~~ (3) 'Policies' means a policy insuring a natural person as named insured against direct loss to residential real property and the contents thereof, as defined and limited in standard fire policies as approved by the Commissioner.

~~(3)~~ (4) 'Renewal' means issuance and delivery by an insurer or an affiliate of such insurer of a policy superseding at the end of the policy period a policy previously issued and delivered by the same insurer and providing no less than the coverage contained in the superseded policy or issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term or the extension of the term of a policy beyond its policy period or term pursuant to a provision for extending the policy by payment of a continuation premium. Any policy with a policy period or term of less than six months shall, for the purposes of this Code section, be considered to have successive policy periods ending each six months following its original date of issue and, regardless of its wording, any interim termination by its terms or by refusal to accept premiums shall be a cancellation subject to this Code section. Any policy written for a term longer than one year or any policy with no fixed expiration date shall be considered as if written for successive policy periods or terms of one year and any termination by an insurer effective on an anniversary date of such policy shall be deemed a refusal to renew."

SECTION 3.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 4.

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