

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

AS PASSED SENATE

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