

The Senate Committee on Insurance and Labor offered the following substitute to SB 230:

**MOOT**

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 3 of Chapter 3 of Title 44 of the Official Code of Georgia Annotated,  
2 relating to condominiums, so as to increase the maximum amount of insurance deductibles  
3 payable by unit owners; to provide for notice; to provide for related matters; to repeal  
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 3 of Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to  
8 condominiums, is amended by revising Code Section 44-3-94, relating to damage or  
9 destruction of units, as follows:

10 "44-3-94.

11 (a) Unless otherwise provided in the condominium instruments, in the event of damage to  
12 or destruction of any unit by a casualty covered under insurance required to be maintained  
13 by the association pursuant to Code Section 44-3-107, the association shall cause the unit  
14 to be restored. Unless otherwise provided in the condominium instruments, any funds  
15 required for such restoration in excess of the insurance proceeds attributable thereto shall  
16 be paid by the unit owner of the unit; provided, however, that, in the event that the unit

17 owner of the unit together with the unit owners of other units to which two-thirds of the  
18 votes in the association pertain agree not to restore the unit, the unit shall not be restored  
19 and the entire undivided interest in the common elements pertaining to that unit shall then  
20 pertain to the remaining units, to be allocated to them in proportion to their undivided  
21 interests in the common elements, and the remaining portion of that unit shall thenceforth  
22 be a part of the common elements. Votes in the association and liability for future common  
23 expenses shall thereupon pertain to the remaining units, being allocated to them in  
24 proportion to their relative voting strength in the association and liability for common  
25 expenses, respectively. To the extent provided for in the condominium instruments, the  
26 association may allocate equitably the payment of a reasonable insurance deductible  
27 between the association and the unit owners affected by a casualty against which the  
28 association is required to insure; provided, however, that the amount of deductible which  
29 can be allocated to any one unit owner shall not exceed ~~\$5,000.00~~ \$25,000.00 per casualty  
30 loss covered under any insurance required to be maintained by the association under this  
31 article. The existence of a reasonable deductible in any required insurance policy shall not  
32 be deemed a failure to maintain insurance as required by this Code section.

33 (b) Each association in this state shall timely notify all unit owners within such association  
34 of any material change in such association's master policy deductible. Such notification  
35 shall be in writing and accomplished by depositing the notice in the United States mail to  
36 be dispatched by at least first class mail to the address of record of the unit owner. Such  
37 notice may alternatively be delivered, with the unit owner's written consent, in person, or  
38 through electronic transmittal or facsimile."

39 **SECTION 2.**

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