

House Bill 1385

By: Representatives Momtahan of the 17<sup>th</sup>, Camp of the 135<sup>th</sup>, New of the 64<sup>th</sup>, Ridley of the 22<sup>nd</sup>, and Chastain of the 7<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds  
2 of insurance, limits of risks, and reinsurance, so as to provide for an insurer under a liability  
3 insurance policy to pay a third party and the senior lienholder under certain circumstances;  
4 to provide for an effective date and applicability; to provide for related matters; to repeal  
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds of  
9 insurance, limits of risks, and reinsurance, is amended in Code Section 33-7-11.1, relating  
10 to commencement of liability of insurer to pay benefits to third party on behalf of insured and  
11 applicability of the Code section, by revising subsections (c) and (d) as follows:

12 "(c) When making any payment to a third party for damage to an automobile for any loss,  
13 the insurer shall pay the third party and the senior lienholder of record, if any, as their  
14 interests may appear on the records of ownership and shall have printed on the loss  
15 estimate, if prepared directly by the insurer, the following:

16 'Failure to use the insurance proceeds in accordance with a security agreement between  
17 you and a lienholder, if any, may be a violation of Code Section 16-8-4 of the O.C.G.A.

18 If you have any questions, contact your lending institution.'

19 This subsection does not apply if the insurer does not prepare the loss estimate or if the  
20 estimate is not prepared in the State of Georgia.

21 (d) The provisions of this Code section shall be applicable to all automobile liability or  
22 motor vehicle liability insurance policies that pay benefits to a third party on behalf of an  
23 insured for the loss of use and towing and storage costs of such motor vehicle issued,  
24 delivered, or renewed in this state ~~on or after January 1, 2009.~~"

25 **SECTION 2.**

26 This Act shall become effective on July 1, 2024, and shall apply to all liability insurance  
27 policies issued, delivered, issued for delivery, or renewed in this state on or after such date.

28 **SECTION 3.**

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