

The House Committee on Insurance offers the following substitute to HB 389:

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 revise the maximum amount of insurance deductibles
3 payable by unit owners; to provide for related matters; to repeal conflicting laws; and for
4 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 Unless otherwise provided in the condominium instruments, in the event of damage to or
12 destruction of any unit by a casualty covered under insurance required to be maintained by
13 the association pursuant to Code Section 44-3-107, the association shall cause the unit to
14 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

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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~~ \$10,000.00 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 **SECTION 2.**

34 All laws and parts of laws in conflict with this Act are repealed.