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INSURANCE Kinds of Insurance; Limits of Risks; Reinsurance: Regulate Motor Vehicle Insurance, Coverage, and Proof Thereof, Change Certain Provisions Relating to Uninsured Motorist Coverage; Provide for Applicability and Exceptions; Change Certain Provisions Relating to Proof of Insurance

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INSURANCE

Kinds of Insurance; Limits of Risks; Reinsurance: Regulate Motor Vehicle Insurance, Coverage, and Proof Thereof; Change Certain Provisions Relating to Uninsured Motorist Coverage; Provide for Applicability and Exceptions; Change Certain Provisions Relating to Proof of Insurance

CODE SECTIONS:	O.C.G.A. §§ 33-7-11, 40-6-10 (amended)
BILL NUMBER:	HB 187
ACT NUMBER:	379
GEORGIA LAWS:	2001 Ga. Laws 1228
SUMMARY:	The Act requires that vehicle insurance policies be issued with a default amount of uninsured motorist coverage in amounts either equal to their personal coverage or with a minimum of \$25,000 for injury or death of one person, \$50,000 for injury or death of two or more persons, and \$25,000 for property loss. The Act gives insured individuals the option of reducing their uninsured motorist coverage below the default minimum and omits language that allowed the insurer to reject non-written requests to increase coverage above the former statutory minimum. The Act also allows for the coverage agreed to when the policy is issued to remain the same when renewed. Finally, the Act provides for delayed effective dates for proof of insurance requirements and for the amended Code sections to take effect.
EFFECTIVE DATE:	July 1, 2001 ¹

1. See 2001 Ga. Laws 1228, § 3, at 1229. However, the Act's provisions concerning uninsured motorist insurance coverage apply only to policies issued or renewed on or after Jan. 1, 2002. See *id.*

History

During the 2000 legislative session, the General Assembly increased the minimum uninsured motorist insurance requirements.² While that legislation was being discussed in the House Motor Vehicles Committee, Committee members learned that, even though uninsured motorist insurance is one of the cheapest types of insurance, many carriers issued policies with minimal amounts of uninsured motorist coverage, if at all.³ Further, there was no mechanism to inform the insured as to how much uninsured motorist coverage they had or could take out.⁴ This issue was postponed until the 2001 legislative session, when HB 187 was introduced.⁵

Also during the 2000 session, legislation was passed to change certain proof of insurance requirements upon establishment of a driver database.⁶ However, that database would not be ready by the effective dates of that legislation.⁷ Therefore, this bill was introduced to extend the implementation of the proof of insurance requirements.⁸

*HB 187**Introduction*

Representatives Alan Powell of the 23rd District, Bobby Parham of the 122nd District, and Larry Walker of the 141st District sponsored HB 187.⁹ Representative Powell introduced the bill on the House floor on January 12, 2001.¹⁰ The House assigned the bill to its Committee on Motor Vehicles, which favorably reported the bill, as substituted.¹¹ The House adopted the Committee substitute and passed the bill

2. See 2000 Ga. Laws 1516, § 1, at 1517.

3. See Telephone Interview with Rep. Alan Powell, House District No. 23 (Apr. 6, 2001) [hereinafter Powell Interview]; Audio Recording of House Proceedings, Feb. 8, 2001 (remarks by Rep. Alan Powell), at <http://www.state.ga.us/services/leg/audio/2001archive.html> [hereinafter House Audio I].

4. See House Audio I, *supra* note 3 (remarks by Rep. Alan Powell).

5. See Powell Interview, *supra* note 3.

6. See 2000 Ga. Laws 429, § 5, at 436-37.

7. See Audio Recording of House Proceedings, Mar. 21, 2001 (remarks by Rep. Alan Powell), at <http://www.state.ga.us/services/leg/audio/2001archives.html> [hereinafter House Audio II]; Audio Recording of Senate Proceedings, Mar. 21, 2001 (remarks by Sen. Mike Crotts), at <http://www.state.ga.us/services/leg/audio/2001archive.html> [hereinafter Senate Audio].

8. See HB 187, as introduced, 2001 Ga. Gen. Assem.

9. See *id.*

10. See State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

11. See *id.*

unanimously on February 8, 2001.¹² On February 9, 2001, the Senate assigned the bill to its Insurance and Labor Committee, which created its own substitute and favorably reported the bill on March 13, 2001.¹³ The Senate adopted the Insurance and Labor Committee substitute and passed the bill unanimously on March 19, 2001.¹⁴

When the bill returned to the House on March 21, 2001, the House adopted an amendment offered by Representatives Alan Powell of the 23rd District and Jimmy Lord of the 121st District, then passed the bill without opposition.¹⁵ The bill returned to the Senate on the same day, and the Senate adopted the House version and unanimously passed the bill.¹⁶ The General Assembly forwarded the bill to Governor Barnes, who signed HB 187 into law on April 28, 2001.¹⁷

Consideration by the House Committee on Motor Vehicles

After introduction, the House assigned the bill to its Committee on Motor Vehicles.¹⁸ The Committee favorably reported the bill, as substituted, on January 30, 2001.¹⁹ The Committee on Motor Vehicles' substitute added language clarifying that insureds could only choose to have their uninsured motorist coverage equal to their liability coverage if their liability coverage was more than the 25/50/25 minimum.²⁰ The substitute also allowed for insureds to choose to have less uninsured coverage than their liability coverage, but would have required that they maintain the 25/50/25 minimum.²¹

12. See Georgia House of Representatives Voting Record, HB 187 (Feb. 8, 2001); State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

13. See State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

14. See Georgia Senate Voting Record, HB 187 (Mar. 19, 2001).

15. See Georgia House of Representatives Voting Record, HB 187 (Mar. 21, 2001); State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

16. See Georgia Senate Voting Record, HB 187 (Mar. 21, 2001); State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

17. See 2001 Ga. Laws 1228, § 4, at 1230.

18. See State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

19. See *id.*

20. Compare HB 187, as introduced, 2001 Ga. Gen. Assem., with HB 187 (HCS), 2001 Ga. Gen. Assem.

21. Compare HB 187, as introduced, 2001 Ga. Gen. Assem., with HB 187 (HCS), 2001 Ga. Gen. Assem.

House Passage

The House unanimously passed HB 187, as substituted, on February 8, 2001.²² The bill was then referred to the Senate Insurance and Labor Committee.²³

Consideration by the Senate Insurance and Labor Committee

The Senate Insurance and Labor Committee favorably reported HB 187, as substituted, on March 13, 2001.²⁴ The Insurance and Labor Committee substitute redacted language added by the House Committee on Motor Vehicles that would have prevented insureds from choosing uninsured motorist coverage in an amount less than the default minimum of 25/50/25.²⁵

The Senate Committee substitute struck language from Code section 33-7-11(a)(3) that previously permitted insurers to refuse to issue uninsured motorist coverage greater than the minimum without a written request from the insured.²⁶ It also struck the word "minimum" from the Code section.²⁷

The Senate Committee added language to Code section 33-7-11(a)(3) that allowed for policies existing before the effective date of the Act to be renewed without increasing the uninsured motorist coverage to the Act's default amount.²⁸ The substitute also allowed for the initial coverage amount at policy issuance to remain the same when renewed without automatically increasing to the Act's default amount.²⁹

Finally, the Committee provided for a delayed effective date for application of the Act.³⁰

22. See Georgia House of Representatives Voting Record, HB 187 (Feb. 8, 2001); State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

23. See State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

24. See *id.*

25. Compare HB 187 (HCS), 2001 Ga. Gen. Assem., with HB 187 (SCS), 2001 Ga. Gen. Assem.

26. Compare HB 187 (HCS), 2001 Ga. Gen. Assem., with HB 187 (SCS), 2001 Ga. Gen. Assem.

27. Compare HB 187 (HCS), 2001 Ga. Gen. Assem., with HB 187 (SCS), 2001 Ga. Gen. Assem.

28. Compare HB 187 (HCS), 2001 Ga. Gen. Assem., with HB 187 (SCS), 2001 Ga. Gen. Assem.

29. Compare HB 187 (HCS), 2001 Ga. Gen. Assem., with HB 187 (SCS), 2001 Ga. Gen. Assem.

30. Compare HB 187 (HCS), 2001 Ga. Gen. Assem., with HB 187 (SCS), 2001 Ga. Gen. Assem.

Senate Passage

The Senate unanimously passed HB 187, as substituted, on March 19, 2001, and sent the bill to the House.³¹

On the House Floor

Representatives Alan Powell of the 23rd District and Jimmy Lord of the 121st District offered an amendment to the Senate Committee substitute on March 21, 2001.³² The amendment extended the effective dates for Code section 40-6-10 relating to required proof of insurance.³³ The House unanimously passed HB 187, as amended, on March 21, 2001.³⁴

Subsequent Senate Treatment

The bill returned to the Senate on March 19, 2001, and the Senate unanimously agreed to the House version.³⁵ The Senate then sent the bill to Governor Roy Barnes on the same day.³⁶ Governor Barnes signed HB 187 into law on April 28, 2001.³⁷

The Act

The Act amends Code section 33-7-11 by setting a default minimum for uninsured motorist coverage to be issued in a policy as either the same amount of insured's liability insurance or, at a minimum, the 25/50/25 coverage.³⁸ It also allows insureds to opt down to an amount less than their liability coverage.³⁹

31. See Georgia Senate Voting Record, HB 187 (Mar. 19, 2001); State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

32. See House Audio II, *supra* note 7 (introduction and voting on Powell amendment).

33. Compare HB 187 (SCS), 2001 Ga. Gen. Assem., with HB 187 (HFA), 2001 Ga. Gen. Assem.

34. See Georgia House of Representatives Voting Record, HB 187 (Mar. 21, 2001); State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

35. Compare HB 187 (HFA), 2001 Ga. Gen. Assem., with HB 187, as passed, 2001 Ga. Gen. Assem. See Georgia Senate Voting Record, HB 187 (Mar. 21, 2001); State of Georgia Final Composite Sheet, HB 187, Mar. 21, 2001.

36. See State of Georgia Final Composite Status Sheet, HB 187, Mar. 21, 2001.

37. See 2001 Ga. Laws 1228, § 4, at 1230.

38. Compare 2000 Ga. Laws 1516, § 1, at 1517 (formerly found at O.C.G.A. § 33-7-11(a)(1)(2000)), with O.C.G.A. § 33-7-11(a)(1) (Supp. 2001).

39. Compare 2000 Ga. Laws 1516, § 1, at 1517 (formerly found at O.C.G.A. § 33-7-11(a)(1)(2000)), with O.C.G.A. § 33-7-11(a)(1) (Supp. 2001).

The Act eliminates the insurers' right to reject non-written requests to increase their uninsured motorist coverage above the prior statutory minimum.⁴⁰ It also allows for insurance policies to be renewed without the insured having to opt down again from the statutory default minimum.⁴¹ Finally, the Act amends Code section 40-6-10 by extending effective dates applicable to proof of insurance requirements.⁴²

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40. Compare 2000 Ga. Laws 1516, § 1, at 1517 (formerly found at O.C.G.A. § 33-7-11(a)(3) (2000)), with O.C.G.A. § 33-7-11(a)(3) (Supp. 2001).

41. Compare 2000 Ga. Laws 1516, § 1, at 1517 (formerly found at O.C.G.A. § 33-7-11(a)(3) (2000)), with O.C.G.A. § 33-7-11(a)(3) (Supp. 2001).

42. Compare 2000 Ga. Laws 429, § 5, at 436-37 (formerly found at O.C.G.A. § 40-6-10(5) (Supp. 2000)), with O.C.G.A. § 40-6-10(5) (2001).