

House Bill 377

By: Representatives Rich of the 97<sup>th</sup>, Powell of the 171<sup>st</sup>, and Smith of the 134<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to  
2 insurance generally, so as to require any policy issued in this state containing an ordinance  
3 or law exclusion to also include certain language; to provide for legislative findings; to  
4 provide for a definition; to provide for related matters; to repeal conflicting laws; and for  
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 The General Assembly finds that:

- 9 (1) Insurance policies often contain language that appears to have a distinct meaning but  
10 may lead to significant unanticipated consequences;
- 11 (2) Many Georgians reasonably believe that if their insured residence or commercial  
12 property is destroyed, their insurance policy will cover the cost to build a replacement  
13 building;
- 14 (3) These citizens are often unaware of the financial peril created by ordinance or law  
15 exclusions within their policies; and
- 16 (4) There is a great need for clarifying language to be added to all insurance policies in  
17 this state containing ordinance or law exclusions.

18 **SECTION 2.**

19 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance  
20 generally, is amended in Code Section 33-24-1, relating to definitions, by adding a new  
21 paragraph to read as follows:

22 "(.1) 'Ordinance or law coverage' means any insurance coverage for loss caused by the  
23 enforcement of ordinances or laws regulating the construction and repair of damaged or  
24 destroyed buildings."

25 **SECTION 3.**

26 Said chapter is further amended by adding a new Code section to read as follows:

27 "33-24-10.2.

28 All policies issued in this state that contain an ordinance or law exclusion shall also contain  
29 the following language: 'This ordinance or law exclusion is inapplicable when the loss was  
30 predominantly caused by something other than the application of the ordinance or law.'"

31 **SECTION 4.**

32 All laws and parts of laws in conflict with this Act are repealed.