

House Bill 714 (RULES COMMITTEE SUBSTITUTE)

By: Representative Kelley of the 16th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 8 of Chapter 11 of Title 9 of the Official Code of Georgia Annotated,
2 relating to provisional and final remedies and special proceedings, so as to revise and provide
3 for new requirements under the Georgia Civil Practice Act for settlement offers and
4 arrangements for tort claims for personal injury, bodily injury, and death; to amend Chapter
5 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds of insurance, limits
6 of risks, and reinsurance, so as to revise the liability of an insurer upon refusal to pay an
7 insured for any loss pursuant to uninsured motorist coverage under motor vehicle liability
8 policies; to revise a penalty; to provide for related matters; to provide for applicability; to
9 repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Article 8 of Chapter 11 of Title 9 of the Official Code of Georgia Annotated, relating to
13 provisional and final remedies and special proceedings, is amended by revising Code Section
14 9-11-67.1, relating to settlement offers and agreements for personal injury, bodily injury, and
15 death from motor vehicle, and payment methods, as follows:

H. B. 714 (SUB)

16 "9-11-67.1.

17 (a) Prior to the filing of a civil action an answer, any offer to settle a tort claim for personal
18 injury, bodily injury, or death arising from the use of a motor vehicle and prepared by or
19 with the assistance of an attorney on behalf of a claimant or claimants shall be in writing
20 and:

21 (1) Shall contain the following material terms:

22 ~~(1)~~(A) The time period within which such offer must be accepted, which shall be not
23 less than 30 days from receipt of the offer;

24 ~~(2)~~(B) Amount of monetary payment;

25 ~~(3)~~(C) The party or parties the claimant or claimants will release if such offer is
26 accepted;

27 ~~(4)~~(D) For any The type of release, if any, whether the release is full or limited and an
28 itemization of what the claimant or claimants will provide to each releasee; and

29 ~~(5)~~(E) The claims to be released;

30 (2) Shall include medical or other records related to the subject claim that can be
31 reasonably obtained and sufficient to allow the recipient to evaluate the claim; and

32 (3) May include a requirement that in order to settle the claim the recipient shall provide
33 the offeror a statement, under oath, that all insurance issued by the recipient that provides
34 coverage to the claim at issue has been disclosed to the offeror.

35 (b)(1) Unless otherwise agreed by both the offeror and the recipients in writing, the
36 material terms outlined in subsection (a) of this Code section shall be the only material
37 terms which can be included in an offer to settle made under this Code section.

38 (2) The recipients of an offer to settle made under this Code section may accept the same
39 by providing written acceptance of the material terms outlined in subsection (a) of this
40 Code section in their entirety.

41 (c) Nothing in this Code section is intended to prohibit parties from reaching a settlement
42 agreement in a manner and under terms otherwise agreeable to both the parties offeror and
43 recipient of the offer.

44 (d) Upon receipt of an offer to settle set forth in subsection (a) of this Code section, the
45 recipients shall have the right to seek clarification regarding terms, liens, subrogation
46 claims, standing to release claims, medical bills, medical records, and other relevant facts.
47 An attempt to seek reasonable clarification shall not be deemed a counteroffer.

48 (e) An offer to settle made pursuant to this Code section shall be sent by certified mail or
49 statutory overnight delivery, return receipt requested, ~~and~~ shall specifically reference this
50 Code section, and shall include an address or a facsimile number or email address to which
51 a written acceptance pursuant to subsection (b) of this Code section may be provided.

52 (f) The person or entity providing payment to satisfy the material term set forth in
53 ~~paragraph (2) of subsection (a)~~ subparagraph (a)(1)(B) of this Code section may elect to
54 provide payment by any one or more of the following means:

55 (1) Cash;

56 (2) Money order;

57 (3) Wire transfer;

58 (4) A cashier's check issued by a bank or other financial institution;

59 (5) A draft or bank check issued by an insurance company; or

60 (6) Electronic funds transfer or other method of electronic payment.

61 (g) Nothing in this Code section shall prohibit a party making an offer to settle from
62 requiring payment within a specified period; provided, however, that such ~~period shall be~~
63 ~~not less than ten days after the written acceptance of the offer to settle~~ date shall not be less
64 than 40 days from the receipt of the offer.

65 (h) This Code section shall apply to causes of action for personal injury, bodily injury, and
66 death arising from the use of a motor vehicle on or after July 1, ~~2013~~ 2021."

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SECTION 2.

68 Chapter 7 of Title 33 of the Official Code of Georgia Annotated, relating to kinds of
69 insurance, limits of risks, and reinsurance, is amended by revising subsection (j) of Code
70 Section 33-7-11, relating to uninsured motorist coverage under motor vehicle liability
71 policies, as follows:

72 "(j) If the insurer shall refuse to pay any insured any loss covered by this Code section
73 within 60 days after a demand has been made by the insured and a finding has been made
74 that such refusal was made in bad faith, the insurer shall be liable to the insured in addition
75 to any recovery under this Code section for not more than 25 percent of the recovery or
76 \$25,000.00, whichever is greater, and all reasonable attorney's fees for the prosecution of
77 the case under this Code section. The question of bad faith, the amount of the penalty, if
78 any, and the reasonable attorney's fees, if any, shall be determined in a separate action filed
79 by the insured against the insurer after a judgment has been rendered against the uninsured
80 motorist in the original tort action. The attorney's fees shall be fixed on the basis of
81 competent expert evidence as to the reasonable value of the services, based on the time
82 spent and legal and factual issues involved, in accordance with prevailing fees in the
83 locality where the action is pending. The trial court shall have the discretion, if it finds
84 such jury verdict fixing attorney's fees to be greatly excessive or inadequate, to review and
85 amend such portion of the verdict fixing attorney's fees without the necessity of
86 disapproving the entire verdict. The limitations contained in this subsection in reference
87 to the amount of attorney's fees are not controlling as to the fees which may be agreed upon
88 by the plaintiff and his or her attorney for the services of the attorney in the action against
89 the insurer."

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SECTION 3.

91 This Act shall apply to causes of action accruing on or after July 1, 2021.

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SECTION 4.

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