Georgia State University Law Review

Volume 1
Issue 2 *Spring 1985*

Article 30

5-15-2012

INSURANCE Motor Vehicle Insurance: Spouse's Coverage: Termination

Georgia State University Law Review

Follow this and additional works at: http://scholarworks.gsu.edu/gsulr

Part of the Law Commons

Recommended Citation
Georgia State University Law Review (1984) "INSURANCE Motor Vehicle Insurance: Spouse's Coverage: Termination," *Georgia State University Law Review*: Vol. 1: Iss. 2, Article 30.
Available at: http://scholarworks.gsu.edu/gsulr/vol1/iss2/30

This Peach Sheet is brought to you for free and open access by the College of Law Publications at ScholarWorks @ Georgia State University. It has been accepted for inclusion in Georgia State University Law Review by an authorized administrator of ScholarWorks @ Georgia State University. For more information, please contact scholarworks@gsu.edu.

INSURANCE

Motor Vehicle Insurance: Spouse's Coverage: Termination

CODE SECTION:	O.C.G.A. § 33-34-15 (new)
BILL NUMBER:	HB 346
ACT NUMBER:	601
SUMMARY:	The Act provides for the continuance of private passenger motor vehicle insurance coverage for an unnamed insured spouse for a ninety day period following the death of the named insured spouse or termination of the marital relationship with the named insured or until the policy expires, whichever is shorter, upon notice to the insurer.
EFFECTIVE DATE:	January 1, 1986

History

O.C.G.A. § 33-34-2(5) provides that " '[i]nsured' means, in addition to the insured named in the policy, his spouse and children *if residing in the same household* . . ." (emphasis added). This language permitted an insurance company to deny coverage to the unnamed spouse following the final decree of divorce. A situation could arise in which a new divorcee who had paid premiums on the family car(s) prior to her divorce and who may have been listed as the primary driver, could be denied continuing coverage since she no longer resided in the same household. HB 346 was introduced to help prevent this inequitable situation from arising.

HB 346

HB 346 as introduced contained several provisions which were subsequently deleted. The first subsection prohibited contracts that allowed termination of coverage of an unnamed spouse "solely as a result of a break in the marital relationship except by reason of the death of the named insured or of an entry of a valid decree of divorce between the named insured and such spouse."[1] The bill as introduced further provided that policies which contained a termination provision upon death or divorce should also contain a policy conversion provision.[2] This would

1. HB 346, 1985 Ga. Gen. Assem. § 1.
2. *Id.* at § 1(b).

Published by ScholarWorks @ Georgia State University, 1984

HeinOnline -- 1 Ga. St. U. L. Rev. 312 1984-1985

allow the spouse to either purchase a policy from the insurer which provides similar coverage to the policy which contains the conversion provision or a policy by the insurer which provides less coverage. Although application for such a policy had to be made within thirty-one days after the death or divorce judgment, the spouse did not have to furnish any evidence of insurability.[3]

Before HB 346 passed the House, a Committee Substitute and Floor Amendment was added. The policy conversion provisions were deleted and the bill was amended to provide that every motor vehicle insurance policy contain a provision continuing coverage to the unnamed insured spouse for ninety days or until the policy expired, whichever is shorter, in the event of death of the named insured spouse or termination of the marital relationship.[4]

The Senate Judiciary Committee also offered a Committee Substitute to HB 346. The Substitute's language retained the basic provisions of the House version, but limited its coverage to personal lines policies covering private passenger motor vehicles. In addition to requiring the provision for coverage to the spouse of the named insured as in the House version, this version also stipulated that in the absence of the required continuation provision, the policy shall be deemed to contain the provision.[5]

The Act added O.C.G.A. § 33-34-15, which also provides that the insurer must be notified of the death of the named insured or termination of the marriage. Therefore, the spouse of the named insured who was covered under a personal lines policy covering a private passenger motor vehicle "immediately prior to the death or termination of the marital relationship shall upon notice to the insurer or agent of the insurer continue to be covered for a period of 90 days . . . or until the expiration of the policy term, whichever is shorter."

3. *Id.* at § 1(b)(2) and (3).
4. HB 346 (CSFA), 1985 Ga. Gen. Assem. § 1.
5. HB 346 (SCS), 1985 Ga. Gen. Assem. § 1.

HeinOnline -- 1 Ga. St. U. L. Rev. 313 1984-1985