

Senate Bill 83: What You Need to Know

Senate Bill 83 significantly changes and brings clarity to time-limited demands for injury claims arising out of motor vehicle collisions, which had become increasingly uncertain and chaotic with “gotcha” demands designed to be virtually impossible to accept. The bill was passed on March 28, signed by the Governor on April 22, 2024, and became effective immediately upon signing. The bill amends the Georgia statute applicable to pre-suit settlement demands, O.C.G.A. § 9-11-67.1. The amendments change, clarify or expand the prior statute as follows:

- For motor vehicle accident claims, all settlement demands are now offers to enter into a bilateral contract. This applies to settlement negotiations occurring before and after suit is filed and those occurring with or without lawyers representing the claimant. This means that a demand is accepted by saying, “We accept” At that point, a settlement agreement (contract) is in place. The remedy for any alleged non-performance is performance, not voiding the contract.
- Subsection (b)(1) of the statute outlines and limits the material terms of pre-suit offers to the following:
 - A. A date by which such offer must be accepted, which shall be not less than 30 days from receipt of the offer sent by certified mail or statutory overnight delivery, return receipt requested;
 - B. Amount of monetary payment;
 - C. The party or parties the claimant or claimants will release if such offer is accepted;
 - D. For any type of release, whether the release is full or limited and an itemization of what the claimant or claimants will provide to each releasee;
 - E. The claims to be released;
 - F. A date by which payment shall be delivered; provided, however, that such date shall not be less than 40 days from receipt of the offer; and
 - G. A requirement that in order to settle the claim the receipt shall provide the offeror a statement, under oath, regarding whether all liability and casualty insurance issued by the recipient that provides coverage or that may provide coverage for the claim at issue has been disclosed to the offeror and a date by which such statement under oath shall be delivered, and such date shall not be less than 40 days from receipt of the offer, provided, however, that the requirement provided in this subparagraph may be waived by the offeror;
- The statute makes it clear that a settlement occurs when the material conditions established by Subsection (b)(1) are accepted. The revised statute clarifies that a claimant cannot require acceptance of immaterial conditions; however, it does allow the parties to mutually agree to immaterial terms. It also provides that a variance of an immaterial term does not subject the insurer to a failure to settle the claim if the recipient otherwise complies with the safe harbor conditions (subsection (i) of the Code section).
- A claimant cannot require a party to waive the application of the Code section or any part of it.
- Subsection (i) of the statute adds a safe harbor provision that the recipient (insurance company) cannot be subject to a negligent/bad faith failure to settle the claim if it provides timely written acceptance of the material terms of a settlement demand, a statement under oath about insurance (if requested), and payment of the demanded amount or the remaining available coverage.

The revised statute became effective once it was signed by the Governor on April 22, 2024, and applies to all offers made on or after April 22, 2024. It will likely take time before claimants’ attorneys appreciate that the law has changed and revise their offers to comply with the new statute. However, insurers can form binding settlement agreements and accept demands if they accept the material terms of a demand as established by the statute.

A pdf of the current version of SB 83 can be found at <https://www.legis.ga.gov/legislation/63960>.

The foregoing is not intended to be a comprehensive analysis of the full effect of these changes. Nothing in this notice should be construed as legal advice. This document is intended only to notify our clients and other interested parties about important recent developments. Every effort has been made to ascertain the accuracy of the information contained within this notice.