DIRECTIVE 17-EX-3

TO: All Property & Casualty Insurers Writing Automobile Liability or Motor Vehicle Liability Insurance Policies in Georgia

FROM: Ralph T. Hudgens
Insurance and Safety Fire Commissioner

DATE: April 18, 2017

RE: Property Damage Liability Claims involving the Removal of Vehicles after an Accident

It has come to my attention that some insurers may not be complying with legal requirements in O.C.G.A. § 33-7-11.1(b), related to the prompt payment of towing costs. According to that code section, “[a]ny insurer, upon acceptance of liability, pursuant to any automobile liability or motor vehicle liability insurance policy, shall pay reasonable benefits for losses… to a third party on behalf of an insured for… towing… costs of such a motor vehicle, and the liability of the insurer for payment… shall commence as of the time of the incident or occurrence which results in such [loss]….” All auto insurance companies must provide such coverage to any policyholder whose vehicle is principally garaged or principally used in this state.1 Moreover, as with all claims, after determining coverage and accepting liability, the insurer must issue payment promptly. Be aware that “[n]ot attempting in good faith to effectuate prompt, fair, and equitable settlement of claims submitted in which liability has become reasonably clear” constitutes a violation of the Unfair Claims Settlement Practices Act.2 Govern yourselves accordingly.

Any consumer or service provider who would like to submit a complaint should go to www.oci.ga.gov or call 800-656-2298.

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RALPH T. HUDGENS
INSURANCE AND SAFETY FIRE COMMISSIONER
STATE OF GEORGIA

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1 O.C.G.A. § 33-7-11.1
2 O.C.G.A. § 33-6-34(4)