
By: **Delegates Kach and Hutchins**
Introduced and read first time: February 7, 2003
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 2003

CHAPTER 439

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Valuation of Motor Vehicles**

3 FOR the purpose of requiring ~~a certain insurer to use a certain value from a certain~~
4 ~~used car guide to determine the fair market value of a motor vehicle that is~~
5 ~~totally destroyed in a motor vehicle accident; establishing that the~~
6 ~~determination of fair market value is subject to certain adjustments; requiring~~
7 ~~the determination of fair market value to take into consideration the reasonable~~
8 ~~cost of certain repairs; defining a certain term~~ the Maryland Insurance
9 Commissioner to adopt regulations that establish standards and procedures for
10 the settlement of claims involving the total loss of a certain motor vehicle and
11 the determination of the motor vehicle's total loss value; and generally relating
12 to the valuation of motor vehicles under motor vehicle liability insurance.

13 BY adding to
14 Article - Insurance
15 Section ~~27-914~~ 27-304.1
16 Annotated Code of Maryland
17 (2002 Replacement Volume and 2002 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Insurance**

21 ~~27-914.~~

22 (A) ~~IN THIS SECTION, "NADA USED CAR GUIDE" MEANS THE OFFICIAL USED~~
23 ~~CAR GUIDE PUBLISHED BY THE NATIONAL AUTOMOBILE DEALER'S ASSOCIATION.~~

1 ~~(B) TO DETERMINE THE FAIR MARKET VALUE OF A MOTOR VEHICLE THAT IS~~
2 ~~TOTALLY DESTROYED IN A MOTOR VEHICLE ACCIDENT, AN INSURER THAT ISSUES~~
3 ~~OR DELIVERS A POLICY OF MOTOR VEHICLE LIABILITY INSURANCE IN THE STATE~~
4 ~~SHALL USE THE VALUE OF THE MOTOR VEHICLE THAT IS IN EFFECT ON THE~~
5 ~~RELEVANT DATE AS SET FORTH IN THE NADA USED CAR GUIDE.~~

6 ~~(C) THE DETERMINATION OF FAIR MARKET VALUE UNDER SUBSECTION (B) OF~~
7 ~~THIS SECTION IS SUBJECT TO ADJUSTMENT UP OR DOWN BASED ON:~~

8 ~~(1) THE CONDITION AND MILEAGE OF THE MOTOR VEHICLE ON THE~~
9 ~~RELEVANT DATE IN ACCORDANCE WITH THE GUIDELINES CONTAINED IN THE NADA~~
10 ~~USED CAR GUIDE; AND~~

11 ~~(2) ANY OTHER CREDIBLE EVIDENCE OFFERED BY THE INSURER OR~~
12 ~~INSURED TO DEMONSTRATE THAT THE VALUE SET FORTH IN THE NADA USED CAR~~
13 ~~GUIDE FAILS TO REFLECT:~~

14 ~~(I) THE ACTUAL CONDITION OF THE MOTOR VEHICLE; OR~~

15 ~~(II) THE ACTUAL CASH PRICE OF MOTOR VEHICLES IN THE SAME~~
16 ~~GENERAL CONDITION IN THE LOCAL MARKET AREA.~~

17 ~~(D) THE DETERMINATION OF FAIR MARKET VALUE ALSO SHALL TAKE INTO~~
18 ~~CONSIDERATION THE REASONABLE COST OF REPAIRS NECESSARY TO MEET~~
19 ~~MINIMUM STATE SAFETY AND EMISSION STANDARDS AND OTHER CUSTOMARY AND~~
20 ~~REASONABLE CONDITION STANDARDS CONTAINED IN THE NADA USED CAR GUIDE.~~

21 27-304.1.

22 THE COMMISSIONER SHALL ADOPT REGULATIONS THAT ESTABLISH
23 STANDARDS AND PROCEDURES FOR:

24 (1) THE SETTLEMENT OF CLAIMS INVOLVING THE TOTAL LOSS OF A
25 PRIVATE PASSENGER MOTOR VEHICLE; AND

26 (2) THE DETERMINATION OF THE PRIVATE PASSENGER MOTOR
27 VEHICLE'S TOTAL LOSS VALUE.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2003.