

SENATE BILL 773

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2002 Regular Session
2lr2637
CF 2lr2042

By: **Senator Bromwell**

Introduced and read first time: February 1, 2002

Assigned to: Finance

A BILL ENTITLED

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 national publication to determine the fair market value of a certain motor
5 vehicle; authorizing an insurer or insured to adjust the value of a certain motor
6 vehicle in a certain manner; authorizing an insurer or insured to offer certain
7 evidence of the condition of the motor vehicle; requiring the determination of
8 fair market value to consider the cost of certain repair; and generally relating to
9 the valuation of motor vehicles under motor vehicle liability insurance.

10 BY adding to

11 Article - Insurance

12 Section 27-914

13 Annotated Code of Maryland

14 (1997 Volume and 2001 Supplement)

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

17 **Article - Insurance**

18 27-914.

19 (A) TO DETERMINE THE FAIR MARKET VALUE OF A MOTOR VEHICLE THAT IS
20 TOTALLY DESTROYED IN A MOTOR VEHICLE ACCIDENT, AN INSURER THAT ISSUES
21 OR DELIVERS A POLICY OF MOTOR VEHICLE LIABILITY INSURANCE IN THE STATE
22 SHALL USE THE VALUE OF THE MOTOR VEHICLE IN EFFECT ON THE RELEVANT DATE
23 SET FORTH IN THE NATIONAL PUBLICATION OF USED CAR VALUES ADOPTED FOR
24 USE BY THE STATE DEPARTMENT OF TRANSPORTATION.

25 (B) THE DETERMINATION OF FAIR MARKET VALUE UNDER SUBSECTION (A) OF
26 THIS SECTION IS SUBJECT TO:

1 (1) ADJUSTMENT UP OR DOWN BASED ON THE CONDITION AND
2 MILEAGE OF THE MOTOR VEHICLE ON THE RELEVANT DATE IN ACCORDANCE WITH
3 THE GUIDELINES CONTAINED IN THE NATIONAL PUBLICATION; AND

4 (2) ANY OTHER CREDIBLE EVIDENCE OFFERED BY THE INSURER OR
5 INSURED TO DEMONSTRATE THAT THE VALUE SET FORTH IN THE NATIONAL
6 PUBLICATION FAILS TO REFLECT:

7 (I) THE ACTUAL CONDITION OF THE MOTOR VEHICLE; OR

8 (II) THE ACTUAL CASH PRICE OF MOTOR VEHICLES IN THE SAME
9 GENERAL CONDITION IN THE LOCAL MARKET AREA.

10 (C) THE DETERMINATION OF FAIR MARKET VALUE SHALL ALSO TAKE INTO
11 CONSIDERATION THE REASONABLE COST OF REPAIR NECESSARY TO MEET MINIMUM
12 STATE SAFETY AND EMISSION STANDARDS AND OTHER CUSTOMARY AND
13 REASONABLE CONDITION STANDARDS CONTAINED IN THE NATIONAL PUBLICATION.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2002.