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By: **Senator Stone**  
Introduced and read first time: January 31, 2003  
Assigned to: Finance

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

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CHAPTER \_\_\_\_\_

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 or average price~~  
4 ~~to determine the fair market value of a motor vehicle that is totally destroyed in~~  
5 ~~an accident; establishing that the determination of fair market value is subject~~  
6 ~~to certain adjustments~~ the Maryland Insurance Commissioner to adopt  
7 regulations that establish standards and procedures for the settlement of claims  
8 involving the total loss of a certain motor vehicle and the determination of the  
9 motor vehicle's total loss value; and generally relating to the valuation of motor  
10 vehicles under motor vehicle liability insurance.

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

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

18 **Article - Insurance**

19 ~~27-914.~~

20 (A) ~~TO DETERMINE THE FAIR MARKET VALUE OF A MOTOR VEHICLE THAT IS~~  
21 ~~TOTALLY DESTROYED IN AN ACCIDENT, AN INSURER THAT ISSUES OR DELIVERS A~~  
22 ~~POLICY OF MOTOR VEHICLE LIABILITY INSURANCE IN THE STATE SHALL USE:~~

1           (1)     ~~THE VALUE OF THE MOTOR VEHICLE IN EFFECT ON THE RELEVANT~~  
2 ~~DATE AS SET FORTH IN THE PUBLICATION OF USED CAR VALUES ADOPTED FOR USE~~  
3 ~~BY THE STATE DEPARTMENT OF TRANSPORTATION; OR~~

4           (2)     ~~THE AVERAGE PRICE OF COMPARABLE MOTOR VEHICLES IN THE~~  
5 ~~LOCAL MARKET AREA THAT MEET MINIMUM STATE SAFETY AND EMISSION~~  
6 ~~STANDARDS AND OTHER CUSTOMARY AND REASONABLE CONDITION STANDARDS~~  
7 ~~CONTAINED IN THE PUBLICATION OF USED CAR VALUES ADOPTED FOR USE BY THE~~  
8 ~~STATE DEPARTMENT OF TRANSPORTATION.~~

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

11           (1)     ~~CLEARLY DEFINED AND DISCLOSED CONDITION, EQUIPMENT, AND~~  
12 ~~MILEAGE GUIDELINES USED BY THE INSURER TO DETERMINE THE VALUE OF THE~~  
13 ~~MOTOR VEHICLE ON THE RELEVANT DATE; AND~~

14           (2)     ~~ANY OTHER CREDIBLE EVIDENCE OFFERED BY THE INSURER OR~~  
15 ~~CLAIMANT TO DEMONSTRATE THAT THE VALUE SET FORTH IN THE PUBLICATION OF~~  
16 ~~USED CAR VALUES ADOPTED FOR USE BY THE STATE DEPARTMENT OF~~  
17 ~~TRANSPORTATION FAILS TO REFLECT:~~

18                   (1)     ~~THE ACTUAL CONDITION OF THE MOTOR VEHICLE; OR~~

19                   (2)     ~~THE ACTUAL CASH PRICE OF MOTOR VEHICLES IN THE SAME~~  
20 ~~GENERAL CONDITION IN THE LOCAL MARKET AREA.~~

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.