

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 641  
Economic Matters

(Delegates Kach and Hutchins)

Finance

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

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This bill requires the Maryland Insurance Commissioner to adopt regulations that establish standards and procedures for: (1) settling claims involving the total loss of a private passenger motor vehicle; and (2) determining such a vehicle's total loss value.

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**Fiscal Summary**

**State Effect:** The bill would not materially affect the finances or operations of the Maryland Insurance Administration.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** No statutory provision requires motor vehicle liability insurers to use a particular method in valuating automobiles that are totally destroyed in an accident.

**Background:** MDOT currently uses the official used car guide of the National Automobile Dealer's Association (NADA) for purposes of computing titling tax on used vehicles. MAIF does not use the NADA used car guide currently employed by MDOT. Instead, MAIF uses Certified Collateral Company's system to determine valuation.

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## **Additional Information**

**Prior Introductions:** A similar bill, SB 773, was introduced in the 2002 session and received an unfavorable report from the Senate Finance Committee.

**Cross File:** None.

**Information Source(s):** Maryland Automobile Insurance Fund, Maryland Insurance Administration, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 28, 2003  
ncs/jr Revised - House Third Reader - March 25, 2003

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