
By: **Senator Stone**

Introduced and read first time: January 28, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Total Loss Valuation - Disclosure and**
3 **Calculation**

4 FOR the purpose of requiring a certain insurer to disclose to a claimant who has filed
5 a claim involving the total loss of a private passenger motor vehicle the
6 condition inspection guidelines that the insurer relied on to determine the
7 condition of the motor vehicle at the time of the loss; requiring an insurer that
8 uses a certain method to determine a private passenger motor vehicle's total loss
9 value to reflect a certain cost in the determination of the total loss value and to
10 include in a certain settlement offer a certain explanation relating to compliance
11 with the State motor vehicle safety inspection law; and generally relating to
12 total loss valuation of private passenger motor vehicles.

13 BY repealing and reenacting, with amendments,
14 Article - Insurance
15 Section 27-304.1
16 Annotated Code of Maryland
17 (2002 Replacement Volume and 2004 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 27-304.1.

22 (A) The Commissioner shall adopt regulations that establish standards and
23 procedures for:

24 (1) the settlement of claims involving the total loss of a private
25 passenger motor vehicle; and

26 (2) the determination of the private passenger motor vehicle's total loss
27 value.

1 (B) ON REQUEST BY THE CLAIMANT, AN INSURER SHALL DISCLOSE TO A
2 CLAIMANT WHO HAS FILED A CLAIM INVOLVING THE TOTAL LOSS OF A PRIVATE
3 PASSENGER MOTOR VEHICLE THE CONDITION INSPECTION GUIDELINES THAT THE
4 INSURER RELIED ON TO DETERMINE THE CONDITION OF THE MOTOR VEHICLE AT
5 THE TIME OF THE LOSS.

6 (C) IF AN INSURER USES, AS THE METHOD TO DETERMINE A PRIVATE
7 PASSENGER MOTOR VEHICLE'S TOTAL LOSS VALUE, A COMPUTERIZED DATA BASE
8 THAT PRODUCES STATISTICALLY VALID FAIR MARKET VALUES FOR A
9 SUBSTANTIALLY SIMILAR VEHICLE OR ADVERTISEMENTS FOR A SUBSTANTIALLY
10 SIMILAR VEHICLE, THE INSURER SHALL:

11 (1) REFLECT THE CUSTOMARY AND REASONABLE COST OF A
12 SUBSTANTIALLY SIMILAR MOTOR VEHICLE THAT PASSES STATE MOTOR VEHICLE
13 SAFETY INSPECTION IN THE DETERMINATION OF THE MOTOR VEHICLE'S TOTAL
14 LOSS VALUE; AND

15 (2) INCLUDE IN A SETTLEMENT OFFER MADE BY THE INSURER TO THE
16 CLAIMANT AN EXPLANATION OF THE INSURER'S CALCULATION OF ANY VALUE
17 ADDED TO THE MOTOR VEHICLE'S TOTAL LOSS VALUE BY COMPLIANCE WITH THE
18 STATE MOTOR VEHICLE SAFETY INSPECTION LAW.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2005.