

Senate Bill No. 314

AN ACT concerning

Motor Vehicle Liability Insurance - Valuation of Motor Vehicles

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

BY adding to

Article - Insurance

Section ~~27-914~~ 27-304.1

Annotated Code of Maryland

(2002 Replacement Volume and 2002 Supplement)

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

Article - Insurance

~~27-914.~~

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

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

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

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

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