

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 660
Commerce Committee Substitute Adopted 5/12/09
House Committee Substitute Favorable 6/29/09
PROPOSED HOUSE COMMITTEE SUBSTITUTE S660-PCS35366-RG-48

Short Title: Auto Insurance/Diminution in Value.

(Public)

Sponsors:

Referred to:

March 19, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE AN ALTERNATIVE METHOD OF DETERMINING PROPERTY
3 DAMAGES AS A PART OF MOTOR VEHICLE LIABILITY INSURANCE.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 20-279.21 is amended by adding a new subsection to read:

6 "§ 20-279.21. "Motor vehicle liability policy" defined.

7 ...

8 (d1) Such motor vehicle liability policy shall provide an alternative method of
9 determining the amount of property damage to a motor vehicle when liability for coverage for
10 the claim is not in dispute. For a claim for property damage to a motor vehicle against an
11 insurer, the policy shall provide that if:

12 (1) The claimant and the insurer fail to agree as to the difference in fair market
13 value of the vehicle immediately before the accident and immediately after
14 the accident; and

15 (2) The difference in the claimant's and the insurer's estimate of fair market
16 value is greater than two thousand dollars (\$2,000) or twenty-five percent
17 (25%) of the fair market retail value of the vehicle prior to the accident as
18 determined by the latest edition of the National Automobile Dealers
19 Association Pricing Guide Book or other publications approved by the
20 Commissioner of Insurance, whichever is less, then on the written demand
21 of either the claimant or the insurer, each shall select a competent and
22 disinterested appraiser and notify the other of the appraiser selected within
23 20 days after the demand. The appraisers shall then appraise the loss. Should
24 the appraisers fail to agree, they shall then select a competent and
25 disinterested appraiser to serve as an umpire. If the appraisers cannot agree
26 upon an umpire within 15 days, either the claimant or the insurer may
27 request that a magistrate resident in the county where the insured motor
28 vehicle is registered or the county where the accident occurred select the
29 umpire. The appraisers shall then submit their differences to the umpire. The
30 umpire then shall prepare a report determining the amount of the loss and
31 shall file the report with the insurer and the claimant. The agreement of the
32 two appraisers or the report of the umpire, when filed with the insurer and



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1 the claimant, shall determine the amount of the damages. In preparing the
 2 report, the umpire shall not award damages that are higher or lower than the
 3 determinations of the appraisers. In no event shall appraisers or the umpire
 4 make any determination as to liability for damages or as to whether the
 5 policy provides coverage for claims asserted. The claimant or the insurer
 6 shall have 15 days from the filing of the report to reject the report and notify
 7 the other party of such rejection. If the report is not rejected within 15 days
 8 from the filing of the report, the report shall be binding upon both the
 9 claimant and the insurer. Each appraiser shall be paid by the party selecting
 10 the appraiser, and the expenses of appraisal and umpire shall be paid by the
 11 parties equally. For purposes of this section, "appraiser" and "umpire" shall
 12 mean a person who as a part of his or her regular employment is in the
 13 business of advising relative to the nature and amount of motor vehicle
 14 damage and the fair market value of damaged and undamaged motor
 15 vehicles.

16 "

17 **SECTION 2.** G.S. 7A-292 is amended by adding a new subdivision to read:

18 **"§ 7A-292. Additional powers of magistrates.**

19 In addition to the jurisdiction and powers assigned in this Chapter to the magistrate in civil
 20 and criminal actions, each magistrate has the following additional powers:

21 ...

22 (15) To appoint an umpire to determine motor vehicle liability policy diminution
 23 in value, as provided in G.S. 20-279.21(d1)."

24 **SECTION 3.** This act becomes effective August 1, 2010, and applies to motor
 25 vehicle liability insurance policies issued or renewed on or after that date.