

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 205
PROPOSED COMMITTEE SUBSTITUTE H205-PCS40223-BG-18

Short Title: Veh. Property Dmg./Determining Amt. of Loss.

(Public)

Sponsors:

Referred to:

February 28, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE LAW GOVERNING THE PROCEDURES FOR DETERMINING
3 THE AMOUNT OF PROPERTY DAMAGE TO A MOTOR VEHICLE WHEN LIABILITY
4 FOR COVERAGE FOR THE CLAIM IS NOT IN DISPUTE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 20-279.21(d1) reads as rewritten:

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

- 11 (1) The claimant and the insurer fail to agree as to the difference in fair market
12 value of the vehicle immediately before the accident and immediately after
13 the accident; and
14 (2) The difference in the claimant's and the insurer's estimate of the diminution in
15 fair market value is greater than ~~two thousand dollars (\$2,000) or twenty five~~
16 ~~percent (25%)~~ five hundred dollars (\$500.00) of the fair market retail value of
17 the vehicle prior to the accident as determined by the latest edition of the
18 National Automobile Dealers Association Pricing Guide ~~Book or other~~
19 ~~publications approved by the Commissioner of Insurance, whichever is less,~~
20 Book; then on the written demand of either the claimant or the insurer, each
21 shall select a competent and disinterested appraiser and notify the other of the
22 appraiser selected within 20 days after the demand. The appraisers shall then
23 appraise the ~~loss~~ loss and exchange appraisals within 15 days for review by
24 the opposing appraiser. Any appraiser who refuses to appraise the loss or
25 exchange an appraisal with an opposing appraiser as required pursuant to this
26 subdivision is subject to a civil penalty under G.S. 58-2-70. Should the
27 appraisers fail to agree, they shall then select a competent and disinterested
28 appraiser to serve as an umpire. If the appraisers cannot agree upon an umpire
29 within 15 days, either the claimant or the insurer may request that a magistrate
30 resident in the county where the insured motor vehicle is registered or the
31 county where the accident occurred select the umpire. The appraisers shall
32 then submit their differences to the umpire. The umpire then shall prepare a
33 report determining the amount of the loss and shall file the report with the
34 insurer and the claimant. The agreement of the two appraisers or the report of
35 the umpire, when filed with the insurer and the claimant, shall determine the
36 amount of the damages. In preparing the report, the umpire shall not award



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1 damages that are higher or lower than the determinations of the appraisers. In
2 no event shall appraisers or the umpire make any determination as to liability
3 for damages or as to whether the policy provides coverage for claims asserted.
4 ~~The claimant or the insurer shall have 15 days from the filing of the report to~~
5 ~~reject the report and notify the other party of such rejection. If the report is not~~
6 ~~rejected within 15 days from the filing of the report, the report shall be binding~~
7 ~~upon~~ The report of the umpire is binding on both the claimant and the insurer.
8 Each appraiser shall be paid by the party selecting the appraiser, and the
9 expenses of appraisal and umpire shall be paid by the parties equally. For
10 purposes of this section, "appraiser" and "umpire" shall mean a person
11 licensed as a motor vehicle damage appraiser under G.S. 58-33-26 and
12 G.S. 58-33-30 and 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 **SECTION 2.** This act becomes effective October 1, 2019, and applies to policies
17 issued, renewed, or amended on or after that date.