

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 660  
Commerce Committee Substitute Adopted 5/12/09

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 five hundred dollars (\$2,500), then, on the  
17 written demand of either the claimant or the insurer, each shall select a  
18 competent and disinterested appraiser and notify the other of the appraiser  
19 selected within 20 days after the demand. The appraisers shall then appraise  
20 the loss. Should the appraisers fail to agree, they shall then select a  
21 competent and disinterested appraiser to serve as an umpire. If the appraisers  
22 cannot agree upon an umpire within 15 days, either the claimant or the  
23 insurer may request that a magistrate resident in the county where the  
24 insured motor vehicle is registered select the umpire. The appraisers shall  
25 then submit their differences to the umpire. The umpire then shall prepare a  
26 report determining the amount of the loss and shall file the report with the  
27 insurer and the claimant. The agreement of the two appraisers or the report  
28 of the umpire, when filed with the insurer and the claimant, shall determine  
29 the amount of the damages. In preparing the report, the umpire shall not  
30 award damages that are higher or lower than the determinations of the  
31 appraisers. In no event shall appraisers or the umpire make any  
32 determination as to liability for damages or as to whether the policy provides  
33 coverage for claims asserted. The claimant or the insurer shall have 15 days  
34 from the filing of the report to reject the report and notify the other party of  
35 such rejection. If the report is not rejected within 15 days from the filing of  
36 the report, the report shall be binding upon both the claimant and the insurer.  
37 Each appraiser shall be paid by the party selecting the appraiser, and the



1 expenses of appraisal and umpire shall be paid by the parties equally. For  
2 purposes of this section, "appraiser" and "umpire" shall mean a motor  
3 damage appraiser licensed by the Department of Insurance.

4 ...."

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

6 **"§ 7A-292. Additional powers of magistrates.**

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

9 ...

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

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