

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

S

3

SENATE BILL 660
Commerce Committee Substitute Adopted 5/12/09
House Committee Substitute Favorable 6/29/09

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 or the county where the accident occurred
25 select the umpire. The appraisers shall then submit their differences to the
26 umpire. The umpire then shall prepare a report determining the amount of
27 the loss and shall file the report with the insurer and the claimant. The
28 agreement of the two appraisers or the report of the umpire, when filed with
29 the insurer and the claimant, shall determine the amount of the damages. In
30 preparing the report, the umpire shall not award damages that are higher or
31 lower than the determinations of the appraisers. In no event shall appraisers
32 or the umpire make any determination as to liability for damages or as to
33 whether the policy provides coverage for claims asserted. The claimant or
34 the insurer shall have 15 days from the filing of the report to reject the report
35 and notify the other party of such rejection. If the report is not rejected
36 within 15 days from the filing of the report, the report shall be binding upon



1 both the claimant and the insurer. Each appraiser shall be paid by the party
2 selecting the appraiser, and the expenses of appraisal and umpire shall be
3 paid by the parties equally. For purposes of this section, "appraiser" and
4 "umpire" shall mean a motor damage appraiser licensed by the Department
5 of Insurance.

6 "

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

8 **"§ 7A-292. Additional powers of magistrates.**

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

11 ...

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

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