

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 893

Short Title: Auto Insurance Diminution in Value. (Public)

Sponsors: Representatives Justice, Grady (Primary Sponsors); and Stiller.

Referred to: Judiciary III, if favorable, Insurance.

March 31, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE COVERAGE FOR DIMINUTION IN VALUE AS A PART OF
3 MOTOR VEHICLE LIABILITY INSURANCE PROPERTY COVERAGE.

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 coverage for the diminished value
9 of a motor vehicle after it has been repaired. In case the claimant and the insurer fail to agree as
10 to the diminished value of a motor vehicle after repair, on the written demand of either, each
11 shall select a competent and disinterested appraiser and notify the other of the appraiser
12 selected within 20 days after the demand. The appraisers shall first select a competent and
13 disinterested appraiser to serve as an umpire. If the appraisers cannot agree upon an umpire
14 within 15 days, either the claimant or the insurer may request that a magistrate resident in the
15 county where the insured motor vehicle is registered select the umpire. The appraisers shall
16 then appraise the loss, stating separately the diminished value of the motor vehicle. Should the
17 appraisers fail to agree, they shall submit their differences to the umpire. The umpire shall
18 prepare a report determining the amount of diminished value and file the report with the
19 insurer. The agreement of the two appraisers, or the report of the umpire, when filed with the
20 insurer, shall determine the amount of diminished value. Each appraiser shall be paid by the
21 party selecting him and the expenses of appraisal and umpire shall be paid by the parties
22 equally. For purposes of this section, "appraiser" shall mean a motor vehicle damage appraiser
23 licensed by the Department of Insurance.

24"

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

26 "**§ 7A-292. Additional powers of magistrates.**

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

29 ...

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

32 **SECTION 3.** This act becomes effective October 1, 2009, and applies to motor
33 vehicle liability insurance policies issued or renewed on or after that date.

