

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

H.B. 205  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30085-MW-20

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

Sponsors: Representative Torbett.

Referred to:

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%) of the fair market retail value of the vehicle prior to the accident  
17 as determined by the latest edition of the National Automobile Dealers  
18 Association Pricing Guide Book or other publications approved by the  
19 Commissioner of Insurance, whichever is less, then on the written demand of  
20 either the claimant or the insurer, each shall select a competent and  
21 disinterested appraiser and notify the other of the appraiser selected within 20  
22 days after the demand. The appraisers shall then appraise the loss. Should the  
23 appraisers fail to agree, they shall then select a competent and disinterested  
24 appraiser to serve as an umpire. If the appraisers cannot agree upon an umpire  
25 within 15 days, either the claimant or the insurer may request that a magistrate  
26 resident in the county where the insured motor vehicle is registered or the  
27 county where the accident occurred select the umpire. The appraisers shall  
28 then submit their differences to the umpire. The umpire then shall prepare a  
29 report determining the amount of the loss and shall file the report with the  
30 insurer and the claimant. The agreement of the two appraisers or the report of  
31 the umpire, when filed with the insurer and the claimant, shall determine the  
32 amount of the damages. In preparing the report, the umpire shall not award  
33 damages that are higher or lower than the determinations of the appraisers. In  
34 no event shall appraisers or the umpire make any determination as to liability  
35 for damages or as to whether the policy provides coverage for claims asserted.  
36 ~~The claimant or the insurer shall have 15 days from the filing of the report to~~



1 reject the report and notify the other party of such rejection. If the report is not  
2 rejected within 15 days from the filing of the report, the report shall be binding  
3 ~~upon~~ An agreement between either of the appraisers and the umpire is binding  
4 on both the claimant and the insurer. Each appraiser shall be paid by the party  
5 selecting the appraiser, and the expenses of appraisal and umpire shall be paid  
6 by the parties equally. For purposes of this section, "appraiser" and "umpire"  
7 shall mean a person licensed as a motor vehicle damage appraiser under  
8 G.S. 58-33-26 and G.S. 58-33-30 and who as a part of his or her regular  
9 employment is in the business of advising relative to the nature and amount  
10 of motor vehicle damage and the fair market value of damaged and  
11 undamaged motor vehicles."

12 **SECTION 2.** This act is effective when it becomes law.