

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 205  
Committee Substitute Favorable 3/26/19  
Committee Substitute #2 Favorable 4/11/19

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 35 days after the  
24 demand, for review by the opposing appraiser. Any appraiser who refuses to  
25 appraise the loss or exchange an appraisal with an opposing appraiser as  
26 required pursuant to this subdivision is subject to a civil penalty under  
27 G.S. 58-2-70. Should the appraisers agree, they shall put their agreement in  
28 writing and shall file the agreement with the insured and the claimant. Should  
29 the appraisers fail to agree, they shall then select a competent and disinterested  
30 appraiser to serve as an umpire. If the appraisers cannot agree upon an umpire  
31 within 15 days, either the claimant or the insurer may request that a magistrate  
32 resident in the county where the insured motor vehicle is registered or the  
33 county where the accident occurred select the umpire. The appraisers shall  
34 then submit their differences to the umpire. The umpire then shall prepare a  
35 report determining the amount of the loss and shall file the report with the



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1 insurer and the claimant. The agreement of the two appraisers or the report of  
2 the umpire, when filed with the insurer and the claimant, shall determine the  
3 amount of the damages. In preparing the report, the umpire shall not award  
4 damages that are higher or lower than the determinations of the appraisers. In  
5 no event shall appraisers or the umpire make any determination as to liability  
6 for damages or as to whether the policy provides coverage for claims asserted.  
7 ~~The claimant or the insurer shall have 15 days from the filing of the report to~~  
8 ~~reject the report and notify the other party of such rejection. If the report is not~~  
9 ~~rejected within 15 days from the filing of the report, the report shall be binding~~  
10 ~~upon~~ The agreement of the appraisers or the report of the umpire is binding  
11 on both the claimant and the insurer. Each appraiser shall be paid by the party  
12 selecting the appraiser, and the expenses of appraisal and umpire shall be paid  
13 by the parties equally. For purposes of this section, "appraiser" and "umpire"  
14 shall mean a person licensed as a motor vehicle damage appraiser under  
15 G.S. 58-33-26 and G.S. 58-33-30 and who as a part of his or her regular  
16 employment is in the business of advising relative to the nature and amount  
17 of motor vehicle damage and the fair market value of damaged and  
18 undamaged motor vehicles."

19 **SECTION 2.** This act becomes effective October 1, 2019, and applies to policies  
20 issued, renewed, or amended on or after that date.