ACT No. 1032

HOUSE BILL NO. 1011

BY REPRESENTATIVE HARRISON AND SENATOR THOMPSON

1	AN ACT
2	To enact R.S. 22:1892(B)(5), relative to property and casualty insurance claims payment;
3	to provide for the adjustment and settlement of first-party motor vehicle total losses;
4	to provide a definition; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 22:1892(B)(5) is hereby enacted to read as follows:
7	§1892. Payment and adjustment of claims, policies other than life and health and
8	accident; personal vehicle damage claims; extension of time to respond to claims
9	during emergency or disaster; penalties; arson-related claims suspension
10	* * *
11	B.
12	* * *
13	(5) When an insurance policy provides for the adjustment and settlement of
14	first-party motor vehicle total losses on the basis of actual cash value or replacement
15	with another of like kind and quality, and the insurer elects a cash settlement based
16	on the actual cost to purchase a comparable motor vehicle, such costs shall be
17	derived by using one of the following:
18	(a) A fair market value survey conducted using qualified retail automobile
19	dealers in the local market area as resources. If there are no dealers in the local
20	market area, the nearest reasonable market can be used.
21	(b) The retail cost as determined from a generally recognized used motor
22	vehicle industry source; such as, an electronic database, if the valuation documents
23	generated by the database are provided to the first-party claimant, or a guidebook
24	that is available to the general public. If the insured demonstrates, by presenting two

1 independent appraisals, based on measurable and discernable factors, including the 2 vehicle's preloss condition, that the vehicle would have a higher cash value in the local market area than the value reflected in the source's database or the guidebook, 3 4 the local market value shall be used in determining the actual cash value. 5 (c) A qualified expert appraiser selected and agreed upon by the insured and 6 insurer. The appraiser shall produce a written nonbinding appraisal establishing the 7 actual cash value of the vehicle's preloss condition. 8 (d) For the purposes of this Paragraph, local market area shall mean a 9 reasonable distance surrounding the area where a motor vehicle is principally 10 garaged, or the usual location of the vehicle covered by the policy. 11 SPEAKER OF THE HOUSE OF REPRESENTATIVES PRESIDENT OF THE SENATE GOVERNOR OF THE STATE OF LOUISIANA

ENROLLED

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APPROVED: _____