

Regular Session, 2010

# 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

