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An Act To Provide Fair Value for Insured Items

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §3004-A, sub-§1, as enacted by PL 1989, c. 316, §2, is amended to read:

1. Actual cash value. "Actual cash value", as used in ~~section~~sections 3002 and 3004B, means the replacement cost of an insured item of property at the time of loss, less the value of physical depreciation as to the item damaged. "Physical depreciation" means a value as determined according to standard business practices.

Sec. 2. 24-A MRSA §3004-B is enacted to read:

§ 3004-B. Alternative to payment of actual cash value after loss

An insurer shall provide coverage for 85% of the total value of the contents of an insured property following a total loss if the insured chooses not to or is unable to provide an inventory of any lost or damaged items to enable an insurer to determine the actual cash value of any lost or damaged items of property insured under a homeowner's insurance policy.

SUMMARY

This bill requires an insurer to provide coverage for 85% of the total value of the contents of a home insured under a homeowner's insurance policy if the insured opts not to or is unable to provide an inventory of any lost or damaged items of property to enable the insurer to determine the actual cash value of the lost contents.