



General Assembly

January Session, 2009

Raised Bill No. 6450

LCO No. 2414

02414_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING THE SETTLEMENT AMOUNT ON TOTALLED MOTOR VEHICLES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-353 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 Whenever any damaged motor vehicle covered under an
4 automobile insurance policy has been declared to be a constructive
5 total loss by the insurer, the insurer shall, in calculating the value of
6 such vehicle for purposes of determining the settlement amount to be
7 paid to the claimant, (1) use [at least the average] the higher of the
8 retail values given such vehicle by [(1) the National Automobile
9 Dealers Association used car guide and (2) one other] two automobile
10 industry [source which has] sources that have been approved for such
11 use by the Insurance Commissioner, and (2) add all applicable taxes
12 and fees to such retail value for payment to the claimant. In no event
13 shall the settlement amount be less than the retail value at a motor
14 vehicle dealership in this state of a motor vehicle that is the same
15 manufacturer, model and year as the motor vehicle that is the subject
16 of the claim. For purposes of this section, "constructive total loss"

17 means the cost to repair or salvage damaged property, or the cost to
18 both repair and salvage such property, equals or exceeds the total
19 value of the property at the time of loss.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2009	38a-353

Statement of Purpose:

To change the method of determining the settlement amount for a motor vehicle that has been declared to be a constructive loss so there is no additional cost to a claimant to replace such motor vehicle.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]