



General Assembly

January Session, 2009

Substitute Bill No. 6450

* HB06450INS 030809 *

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 Section 38a-353 of the general statutes is repealed and the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 (a) 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, use at least the average of the retail values given
8 such vehicle by (1) the National Automobile Dealers Association used
9 car guide and (2) one other automobile industry source which has been
10 approved for such use by the Insurance Commissioner] settle such loss
11 with the claimant in accordance with subsections (b) to (d), inclusive,
12 of this section. For the purposes of this section, "constructive total loss"
13 means the cost to repair or salvage damaged property, or the cost to
14 both repair and salvage such property, equals or exceeds the total
15 value of the property at the time of loss.

16 (b) The insurer may offer to the claimant as a replacement motor
17 vehicle a specific motor vehicle in this state that is comparable to the
18 make, model and year of the motor vehicle that is the subject of the
19 claim, with all applicable taxes paid by the insurer and at no cost to the

20 claimant.

21 (c) If the insurer declines to offer a replacement motor vehicle as set
22 forth in subsection (b), the insurer shall pay a cash settlement to the
23 claimant, in accordance with the provisions of subsection (d) of this
24 section.

25 (d) To calculate the cash settlement amount under subsection (c) of
26 this section, the claimant shall select one of the following methods and
27 shall provide any necessary information to the insurer:

28 (1) The average retail price, including all applicable taxes, of a motor
29 vehicle that is (A) comparable to the make, model and year of the
30 motor vehicle that is the subject of the claim; and (B) available for
31 purchase from at least two different licensed motor vehicle dealers in
32 the claimant's local market area;

33 (2) The average of at least three prices quoted, in writing, by at least
34 three different licensed motor vehicle dealers, including all applicable
35 taxes, for a motor vehicle that is comparable to the make, model and
36 year of the motor vehicle that is the subject of the claim if such
37 replacement motor vehicle is not available for purchase in the
38 claimant's local market area; or

39 (3) The retail value given such vehicle by the National Automobile
40 Dealers Association used car guide or any other publicly available
41 automobile industry source that has been approved for such use by the
42 Insurance Commissioner.

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

Statement of Legislative Commissioners:

The provisions of subdivision (1) of subsection (d) of section 1 were rephrased for clarity.

INS *Joint Favorable Subst.*