

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>3213</b>
<b>Version:</b>	<b>CCS</b>
<b>Author:</b>	<b>Rep. Ortega &amp; Sen. Sykes</b>
<b>Date:</b>	<b>May 12, 2010</b>
<b>Impact:</b>	<b>\$0 State Funding</b>

**Bill Summary**

Research Analyst: Arnella Karges

The Conference Committee Substitute for HB3213 modifies language that the insurer (company) may elect a cash settlement to purchase a comparable motor vehicle, rather than the insured (policy holder). The CCS also adds language that the cost of a comparable motor vehicle is when a vehicle is currently or recently available in the last 90 days in the local market area.

The CCS prohibits insurers from offering a cash settlement to a claimant to purchase a comparable replacement vehicle and also reselling the motor vehicle, which has been determined to be a total loss, back to the claimant, if the insurer has determined repair of the wrecked vehicle would not result in restoration to operating condition, unless the claimant submits understanding in writing that the vehicle will have a junked title.

**Fiscal Summary**

Fiscal Analyst: Diane Thomas

CCS for HB 3213 includes the following:

- Provides an insurance company may not sell a “total loss” vehicle back to a person when the repair of the vehicle cannot result in a vehicle that is operative and therefore cannot be tagged;
- Provides an exception when the person purchasing the vehicle understands (as shown by a written document) that the vehicle will have a “junk title” after the repairs; and
- Modifies procedures relating to cash settlements (under insurance policies) for damages to vehicles.

**Fiscal Analysis**

CCS for HB 3213 relates to third party transactions between insurance companies and persons with “total loss” damages to a vehicle.

There is no anticipated cost to the state for this measure.

**Long Term Fiscal Considerations**

None.

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director