

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## SECOND REGULAR SESSION - 1990

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Legislative Document

No. 2096

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S.P. 820

In Senate, January 4, 1990

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator PEARSON of Penobscot.

Cosponsored by Representative CAHILL of Mattawamkeag.

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STATE OF MAINE

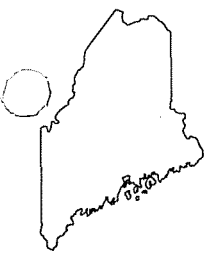
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY

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An Act to Amend the Definition of Actual Cash Value for Insurance Purposes.

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

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 3002, 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.~~

#### STATEMENT OF FACT

This bill amends the definition of "actual cash value" used to determine the replacement cost of insured property by removing the language that allows the insurance industry to make its own determination of fair market value.