

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 567

H.P. 425

House of Representatives, January 19, 1999

**An Act to Improve Insurance Company Practices Pertaining to Collision Appraisals.**

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

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MCKENNEY of Cumberland.  
Cosponsored by Representative TOBIN of Windham, Senator: KONTOS of Cumberland.

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

2           Sec. 1. 24-A MRSA §2164-E is enacted to read:

4           §2164-E. Appraisals of collision damage

6           1. Appraiser defined. For the purposes of this section,  
8           "appraiser" means any person receiving direct or indirect  
10           compensation to assess the physical damage to a motor vehicle  
12           resulting from a collision or other event in order to determine  
14           the appropriate payment on a casualty insurance claim.  
16           "Appraiser" includes a person employed by an insurer or an  
          independent insurance adjustment service. "Appraiser" does not  
          include an employee of a collision repair shop unless that person  
          receives a majority of that person's annual compensation from an  
          insurer or an independent adjustment service.

18           2. Copy of appraisal. An appraiser shall leave a written  
20           copy of the appraisal with the repair shop selected by the motor  
22           vehicle owner. The appraisal must contain the name of the  
24           insurer ordering the appraisal, the insurance claim file number  
          and the vehicle identification number of the vehicle being  
          appraised. The appraisal must also clearly indicate all  
          unrelated or old damage to the vehicle.

26           3. Failure to agree on initial appraisal. If the appraiser  
28           and the repair shop fail to agree on a price for the repairs, the  
30           appraiser may not obtain a competitive estimate from another  
32           repair shop unless the owner of that repair shop, or the owner's  
          employee, has inspected the vehicle. Competitive estimates may  
          not be obtained on the basis of photographs, telephone calls or  
          any manner other than personal inspection.

34           4. Free competition. An appraiser may not request that  
36           appraisals or repairs be made in a specified repair shop or  
38           shops. An appraiser may not engage in any activity that would  
          have the effect of steering the owner of a motor vehicle to a  
          specific repair shop or group of shops.

40           5. Reinspection. When a supplementary allowance is  
42           requested by a repair shop after the initial appraisal is agreed  
          to, an appraiser shall reinspect the damaged vehicle.

44           6. Code of conduct. An appraiser is subject to the  
          following code of conduct.

46           A. An appraiser shall:

48                   (1) Engage in fair and honorable dealings;

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2           (2) Approach the appraisal of damaged motor vehicles  
3           without prejudice against, or favoritism toward, any  
4           party involved in order to make fair and impartial  
5           appraisals;

6           (3) Disregard any efforts on the part of others to  
7           influence the appraiser's judgment in the interest of  
8           the parties involved; and

10           (4) Prepare independent appraisals of damage.

12           B. An appraiser may not:

14           (1) Receive direct or indirect gratuities or other  
15           consideration in connection with appraisal services,  
16           from any person except the appraiser's employer or, if  
17           the appraiser is self-employed, the appraiser's  
18           customers; and

20           (2) Traffic in automobile salvage if the salvage is  
21           obtained in any way as a result of the performance of  
22           appraisal services.

24           7. Liability for damages. Any person suffering harm as a  
25           result of an appraiser's violation of any of the requirements of  
26           this section may recover the greater of \$1,000 or actual damages  
27           in a civil action. An action for a violation under this section  
28           may not be brought more than 2 years after the date of the  
29           occurrence of the violation. Any violation of this section  
30           constitutes prima facie evidence of a violation of the Maine  
31           Unfair Trade Practices Act.

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## SUMMARY

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This bill governs the conduct of appraisers of collision damage to motor vehicles.