

## 1 SENATE BILL NO. 9

2 INTRODUCED BY HOLDEN

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT MODIFYING WHEN REPLACEMENT VALUE IS USED AS A  
5 MEASURE OF DAMAGES FOR A MOTOR VEHICLE; REQUIRING MOTOR VEHICLE INSURANCE POLICIES  
6 TO ALLOW FOR THE USE OF BOOK VALUE AS A MEASURE OF DAMAGES; AMENDING SECTIONS  
7 27-1-306 AND 33-23-202, MCA; AND PROVIDING AN APPLICABILITY DATE."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10  
11 **Section 1.** Section 27-1-306, MCA, is amended to read:

12 **"27-1-306. When replacement value to be allowed.** The measure of damages in a case in which  
13 the cost of repairing a motor vehicle exceeds its value ~~shall be~~ is the actual replacement value of the motor  
14 vehicle rather than its ~~"book value"~~ "book" value unless the parties agree to use the "book" value. Actual  
15 replacement value is the actual cash value of the motor vehicle immediately prior to the damage. "Book"  
16 value may be used to assist in determining the actual replacement value of the motor vehicle."

17  
18 **Section 2.** Section 33-23-202, MCA, is amended to read:

19 **"33-23-202. Reimbursement for total loss of motor vehicle based on "book" value or actual**  
20 **replacement value.** Each motor vehicle insurance policy issued to residents of this state ~~which provides~~  
21 must provide that reimbursement for total loss of a motor vehicle ~~must~~ be based on a "book" value if  
22 agreed to by the parties rather than or on the actual replacement value if the parties do not agree to use  
23 the "book" value is void as to such provision, and reimbursement must be made for actual replacement  
24 value."

25  
26 **NEW SECTION. Section 3. Applicability.** The amendments in [section 2] apply to motor vehicle  
27 insurance policies issued or renewed after [the effective date of this act].

28 -END-

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BUSINESS & INDUSTRY

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16 GUIDES LISTED IN 61-3-503(1)(C). Actual replacement value is the actual cash value of the motor vehicle  
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