



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 794

S.P. 238

In Senate, March 1, 2011

An Act To Provide Fair Value for Insured Items

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator WHITTEMORE of Somerset.

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

2 **Sec. 1. 24-A MRSA §3004-A, sub-§1**, as enacted by PL 1989, c. 316, §2, is
3 amended to read:

4 **1. Actual cash value.** "Actual cash value", as used in ~~section~~ sections 3002 and
5 3004-B, means the replacement cost of an insured item of property at the time of loss,
6 less the value of physical depreciation as to the item damaged. "Physical depreciation"
7 means a value as determined according to standard business practices.

8 **Sec. 2. 24-A MRSA §3004-B** is enacted to read:

9 **§3004-B. Alternative to payment of actual cash value after loss**

10 An insurer shall provide coverage for 85% of the total value of the contents of an
11 insured property following a total loss if the insured chooses not to or is unable to provide
12 an inventory of any lost or damaged items to enable an insurer to determine the actual
13 cash value of any lost or damaged items of property insured under a homeowner's
14 insurance policy.

15 **SUMMARY**

16 This bill requires an insurer to provide coverage for 85% of the total value of the
17 contents of a home insured under a homeowner's insurance policy if the insured opts not
18 to or is unable to provide an inventory of any lost or damaged items of property to enable
19 the insurer to determine the actual cash value of the lost contents.