

MAR 5 2003

COMMERCE, REGULATION & LABOR

HOUSE FILE 441

BY HEATON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to insurance coverage for the diminution in value  
2 of certain damaged automobiles.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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441

1 Section 1. NEW SECTION. 516B.4 RIGHT OF INSURED TO  
2 COMPENSATION FOR DIMINUTION IN VALUE OF AUTOMOBILE.

3 When an insurance company elects to repair an automobile  
4 that has sustained direct and accidental damage, the  
5 automobile liability policy issued by the insurance company  
6 for the automobile shall compensate the insured for the loss  
7 that results from the diminution in market value of the  
8 automobile that occurs after the automobile is damaged and  
9 repaired.

10 For the purposes of this section, "diminution in market  
11 value" means the actual or perceived loss in market or resale  
12 value of an automobile as measured by the difference in the  
13 market or resale value of the automobile immediately before  
14 damage occurs and the market or resale value of the automobile  
15 after being repaired, less any deductible.

16 EXPLANATION

17 This bill provides that when an insurance company elects to  
18 repair an automobile that has been damaged, the automobile  
19 liability policy must also compensate the insured for the loss  
20 that results from the diminution in market or resale value  
21 that occurs after the automobile is damaged and then repaired.

22 The bill defines "diminution in value" as the actual or  
23 perceived loss in market or resale value of an automobile as  
24 measured by the difference in the market or resale value of  
25 the automobile immediately before damage occurs and the market  
26 or resale value of the automobile after being repaired, less  
27 any deductible.

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