

HOUSE BILL 2044

By Sparks

AN ACT to amend Tennessee Code Annotated, Title 56,
relative to motor vehicle insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 11, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Base loss of value" means ten percent (10%) of the value for the motor vehicle as indicated in the most recent edition of Kelly Blue Book;

(2) "Damage modifier" means a modifier that accounts for the amount of structural and mechanical damage that a motor vehicle sustains in an accident;

(3) "Mileage modifier" means a modifier that adjusts the value of the motor vehicle based on the number of miles on the odometer; and

(4) "Motor vehicle" means a self-propelled vehicle licensed for highway use.

(b) Every insurer licensed to write automobile liability insurance policies in this state shall include in those policies coverage for diminution in value on motor vehicles that are three (3) years of age or newer and have less than one hundred thousand (100,000) miles on the odometer. Diminution in value must be calculated by multiplying the base loss of value by a damage modifier, and then multiplied by a mileage modifier.

SECTION 2. This act shall take effect July 1, 2020, the public welfare requiring it, and applies to policies entered into, amended, or renewed on or after that date.