

TITLE 31. INSURANCE
PART II. AUTOMOBILE INSURANCE
CHAPTER 62. MOTOR VEHICLE PHYSICAL DAMAGE APPRAISERS

§ 62.3. Applicable standards for appraisal

(a) The appraisal shall:

(1) Be signed by the appraiser before the appraisal is submitted to the insurer, the consumer or another involved party. The appraiser may utilize an electronic signature.

(2) Not use abbreviations or symbols to describe work to be done or parts to be repaired or replaced unless an explanation of the abbreviations and symbols is included.

(b) In addition to the requirements in the act, the appraisal shall contain a written disclosure which includes the following:

(1) The dollar amount of the appraisal.

(2) A statement that costs above the appraised amount may be the responsibility of the vehicle owner.

(3) A statement that there is no requirement to use any specified repair shop.

(4) A statement informing the consumer that information regarding repair facilities which will be able to repair the vehicle for the appraised amount is available from the insurer. If the consumer receives information from the insurer, the information shall include disclosure that there is no requirement to use any specified repair shop.

(5) A description of repairs, known at the time of appraisal, necessary to return the vehicle to its predamaged condition, including labor involved, cost of all parts, necessary painting or refinishing and all sublet work to be done.

(6) Incidental charges, known at the time of appraisal, including towing, protective care, custody, storage, depreciation, battery and tire replacement.

(7) Applicable sales tax.

(8) The date, if any, after which an insurer will not be responsible for any related towing services or storage charges, known at the time of appraisal, and after which the charges will be the responsibility of the consumer.

(9) The location where the listed parts are available in a condition equivalent to, or better than, the condition of the replaced parts prior to the accident.

(10) If the appraisal includes aftermarket crash parts, a statement that the appraisal has been prepared based on the use of aftermarket crash parts, and that if the use of an aftermarket crash part voids the existing warranty on the part being replaced or any other part, the aftermarket crash part shall have a warranty equal to or better than the remainder of the existing warranty.

(11) Identification of all aftermarket crash parts and a definition of aftermarket crash parts consistent with § 62.1 (relating to definitions), if these parts are used.

(c) An appraisal for the repair of the motor vehicle shall be made in the amount necessary to return the motor vehicle to its predamaged condition. If the consumer wishes to repair the motor vehicle to a condition better than the predamaged condition, the appraisal need only specify the cost of repairing the vehicle to its predamaged condition.

(d) In the appraisal of salvage value, the following standard shall be used:

(1) If the salvage value of the vehicle being appraised is known or could reasonably be determined, the appraiser shall disclose to the consumer in writing:

(i) The salvage value.

(ii) The provisions of 75 Pa.C.S. § 1117(a) (relating to vehicle destroyed, dismantled, salvaged or recycled), requiring the filing of an application for certificate of salvage with the Department of Transportation. See 75 P. S. § 1117.

(iii) Additional charges for towing services or storage chargeable against the motor vehicle as of the date of the appraisal.

(2) If the salvage value is listed, the appraiser shall disclose to the consumer in writing:

(i) The name and address of each salvage bidder.

(ii) The amount.

(iii) The expiration date of each salvage bid known.

(3) If the ownership and possession of the damaged motor vehicle is not retained by the owner or the owner's representative, this subsection dealing with salvage value is inapplicable.

(e) The appraised value of the loss shall be the replacement value of the motor vehicle if the cost of repairing a motor vehicle exceeds its appraised value less salvage value, or the motor vehicle cannot be repaired to its predamaged condition.

(1) Under this subsection, replacement value under the policy provisions covering the total loss of a motor vehicle including an unrecovered motor vehicle shall be determined by one of the following methods:

(i) **Guide source method.** The appraiser shall calculate the average of two figures reflecting the retail book value of a vehicle of like kind and condition, as provided by guide sources approved by the Commissioner. A listing of approved guide sources will be published once a year in the Pennsylvania Bulletin . The appraised value shall be adjusted for equipment and mileage, less the cost of repair of damage which preexisted the accident in question. No other deductions may be taken except for salvage and then only if the owner elects to retain the vehicle.

(ii) **Actual cost method.** The appraiser shall determine the actual cost of purchase of an available motor vehicle of like kind and quality in condition similar to or better than the motor vehicle being appraised in its predamaged condition. The appraiser shall specify, in writing, the location of the vehicle of like kind and quality.

(iii) **Dealer quotation method.** The appraiser shall consult with dealers or other persons knowledgeable in the field to secure quotations as to the value of the motor vehicle being appraised. At least two quotations shall be secured. The figures thus secured shall be averaged.

(2) If the motor vehicle is listed in at least two guide sources approved by the Commissioner, the replacement value shall be calculated by the guide source method or by the actual cost method, as described in paragraph (1)(i) and (ii). If the actual cost method is used, and the owner of the damaged vehicle shows that the replacement vehicle is not of the same kind and quality, both calculations referenced in this paragraph shall be made, and the higher of the values obtained shall be offered in settlement.

(3) If the motor vehicle is not listed in at least two of the sources authorized by paragraph (1)(i), or if the vehicle differs materially from the average vehicle because of factors not considered in the guide sources, for example, **antique or classic cars, vehicles no longer manufactured and unique vehicles**, the **replacement value shall be calculated by the actual cost method or by the dealer quotation method**, as described in paragraph (1)(ii) and (iii). If the dealer quotation method is used, both calculations referenced in this paragraph shall be made, and the higher of the values obtained shall be offered in settlement.

(4) Applicable sales tax on the replacement cost of a motor vehicle shall be included as part of the replacement value.

(5) The licensed appraiser's total loss evaluation report shall contain the names and addresses of those persons from whom quotations were secured, the date secured, and whether or not a similar vehicle was available.

(6) The licensed appraiser's file shall show the method used to determine the replacement value in a given locality.

(7) The appraiser is responsible for ensuring that a copy of the total loss evaluation report be sent within 5 working days to the consumer by the appraiser after the appraisal is completed. If a settlement offer is extended before the consumer receives the total loss evaluation report, the consumer shall be advised of the total loss evaluation report's contents and of the consumer's right to be sent a copy within 5 days after its completion.

(f) In addition to the requirements in section 11 of the act (63 P. S. § 861), an appraiser shall:

(1) Not have a conflict of interest in the making of an appraisal. This chapter and the act, and this section in particular, shall be strictly interpreted to protect the interest of the consumer and place the burden upon the appraiser to eliminate any conflict of interest in the making of an appraisal.

(2) Obtain the consumer's consent before authorizing the removal of a motor vehicle from one location to another.

(i) The consent of the consumer is not necessary for initial removal of the motor vehicle from the scene of an accident.

(ii) An appraiser authorizing removal of a motor vehicle by a vehicle salvage dealer shall inform the vehicle salvage dealer in writing that possession is merely for safe-keeping purposes and that the vehicle salvage dealer does not have any ownership rights to the motor vehicle, its parts or accessories, until a certificate of title or certificate of salvage is received indicating that ownership has been transferred.

(3) Review the appraisal with an authorized representative of the repair shop which is selected by the consumer or with any other person reasonably necessary to demonstrate that the actual costs of repairs are adequately covered in the appraisal.

(4) Not mention the name of any repair shop, unless the appraiser includes disclosure that there is no requirement to use any specified repair shop.

(g) There are no provisions of the act or this chapter which shall be construed as intended in any way to prohibit or limit the subsequent appraisal or reappraisal of damage by different licensed appraisers, if desired by any of the involved parties.

(h) The penalties for violating provisions of the act and this chapter are set forth in sections 5, 6 and 9 of the act (63 P. S. §§ 855, 856 and 859).