General Assembly

January Session, 2007

Raised Bill No. 1101

LCO No. **3498**

03498_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:

(INS)

AN ACT CONCERNING MOTOR VEHICLE REPAIRS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 38a-352 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) All claims paid by an insurer, a holding company of an insurer or a wholly owned subsidiary of an insurer for any loss to motor vehicles or any claim for damages to motor vehicles, shall be paid to the claimant by check, electronic transfer to the claimant or other means that provide the claimant immediate access to the funds.

(b) The labor rate for the repair of damages to motor vehicles that is paid by an insurer, a holding company of an insurer or a wholly owned subsidiary of an insurer to the claimant shall be based on the usual and customary rate for such repairs. For the purposes of this subsection, "usual and customary rate" means the labor rate that the general public commonly pays for similar repairs on similar motor vehicles in the same geographic area of the state.

(c) Any violation of the provisions of this section by an insurer shall be deemed an unfair or deceptive insurance practice under section 38a-816.

Sec. 2. Section 38a-354 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) No automobile physical damage appraiser shall request or require that appraisals or repairs should or should not be made in a specified facility or repair shop or shops. Such appraiser shall include with the appraisal the following notice, printed in not less than ten-point boldface type:

NOTICE

PURSUANT TO CONNECTICUT LAW, THE CONSUMER HAS THE RIGHT TO CHOOSE THE REPAIR FACILITY TO MAKE REPAIRS TO A MOTOR VEHICLE AND AN INSURANCE COMPANY MAY NOT INTERFERE WITH THE CONSUMER'S CHOICE OF REPAIR FACILITY.

(b) No insurance company doing business in this state, or agent or adjuster for such company shall request or require any insured to use a specific person for the provision of automobile physical damage repairs, automobile glass replacement, glass repair service or glass products unless otherwise agreed to in writing by the insured.

(c) For the purposes of this section, the term "request or require" includes any act to influence a consumer's decision including, but not limited to, (1) reducing the amount of deductible or premium or offering additional warranties if the consumer chooses a preferred repair facility, or (2) suggesting that choosing a facility other than a preferred repair facility will result in delays in repairing the motor vehicle, a lack of guaranty for repair work or additional costs to the insured.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2007*	38a-352
Sec. 2	*July 1, 2007*	38a-354

Statement of Purpose:

To require that the labor rate for the repair of damages to motor vehicles be based on the usual and customary rate for such repairs; to provide that any violation of the provisions of section 38a-352 of the general statutes be deemed an unfair or deceptive insurance practice under section 38a-816 of the general statutes; to require that automobile physical damage appraisers include with the appraisal a notice to consumers stating that the consumer has a right to choose the repair facility to complete repairs to a motor vehicle and that an insurance company may not interfere with the consumer's choice of repair facility; and to provide that such appraisers and insurance companies are prohibited from requesting where motor vehicle repairs should be made.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]