



Senate

General Assembly

File No. 217

January Session, 2007

Senate Bill No. 739

Senate, April 2, 2007

The Committee on Transportation reported through SEN. DEFRONZO of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING REPAIRS TO MOTOR VEHICLES.

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

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 Section 38a-354 of the general statutes is repealed and the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

3 (a) No automobile physical damage appraiser shall require or
4 request that appraisals or repairs should or should not be made in a
5 specified facility or repair shop or shops.

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

11 (c) For the purposes of this section, the term "require or request"
12 includes any act to influence a consumer's decision including, but not
13 limited to, (1) reducing the amount of deductible or premium or

14 offering additional warranties if the consumer chooses a preferred
15 repair facility, or (2) suggesting that choosing a facility other than a
16 preferred repair facility will result in delays in repairing the motor
17 vehicle, a lack of guaranty for repair work or additional costs to the
18 insured.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2007	38a-354

TRA *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill prohibits automobile physical damage appraisers from recommending a particular repair shop to insured persons, and has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 739*****AN ACT CONCERNING REPAIRS TO MOTOR VEHICLES.*****SUMMARY:**

This bill prohibits automobile insurers and their agents or adjusters from requesting that a customer use a specific person for automobile physical damage repair work, glass replacement, glass repair, or glass products unless the customer agrees to it in writing. It also prohibits physical damage appraisers from requesting that damage appraisals or repairs be made, or not made, at a specific repair shop. Current law prohibits the insurers, agents, adjusters, and appraisers from requiring the use of a specific person or shop.

EFFECTIVE DATE: October 1, 2007

REQUIRE OR REQUEST

The bill defines “require or request” as any act to influence a consumer’s decision, including (1) reducing the person’s automobile insurance policy deductible or premium or offering extra warranties if a preferred repair shop performs the repairs or (2) suggesting that repairs made at a non-preferred repair shop will cost more, be delayed, or not be guaranteed.

BACKGROUND***Related Bills***

sSB 1101, favorably reported by the Insurance and Real Estate Committee, prohibits insurers from engaging in similar actions as defined in SB 739, except as allowed in the automobile insurance policy, and requires disclosure that customers have the right to choose where to have their vehicles repaired.

SB 1304, favorably reported by the General Law Committee, would

move some responsibility for licensing and regulating appraisers from the Insurance Department to the Department of Consumer Protection.

Preferred Repair Shops

Some insurers enter into contracts with specific repair shops who agree to provide repair services to customers at a discounted price. The insurer's customer may choose either a preferred shop or a non-preferred shop for repairs, but the insurer might only guarantee repairs performed at a preferred shop.

COMMITTEE ACTION

Transportation Committee

Joint Favorable

Yea 34 Nay 0 (03/14/2007)