



General Assembly

January Session, 2007

**Raised Bill No. 7192**

LCO No. 4390

\*04390\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING MOTOR VEHICLE REPAIR SHOPS.**

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

1 Section 1. (NEW) (*Effective October 1, 2007*) (a) Each motor vehicle  
2 repair shop, as defined in section 14-65e of the general statutes, shall  
3 employ at least one motor vehicle physical damage appraiser licensed  
4 under the provisions of section 38a-790 of the general statutes, as  
5 amended by this act, for the purpose of preparing appraisals or  
6 estimates of damages of motor vehicles and the cost of repairs for such  
7 damages. All negotiations between an individual or any insurer  
8 authorized in this state to issue automobile liability insurance policies,  
9 as defined in section 38a-341 of the general statutes, or the insurer's  
10 representative and such repair shop concerning the cost of repairs for  
11 any damage to a motor vehicle insured by such insurer shall be  
12 conducted by such appraiser on behalf of such repair shop.

13 (b) No motor vehicle repair shop shall permit any employee other  
14 than a licensed motor vehicle physical damage appraiser to prepare an  
15 appraisal or estimate of damages of a motor vehicle and the cost of  
16 repairs for such damages. No employee of a motor vehicle repair shop  
17 shall prepare such appraisal or estimate unless such employee is a

18 motor vehicle physical damage appraiser licensed under the  
19 provisions of section 38a-790 of the general statutes, as amended by  
20 this act.

21 Sec. 2. (NEW) (*Effective October 1, 2007*) (a) No insurer which issues  
22 in this state automobile liability insurance policies, as defined in  
23 section 38a-341 of the general statutes, shall be liable for supplemental  
24 charges assessed by a motor vehicle repair shop, as defined in section  
25 14-65e of the general statutes, unless the insurer or the insurer's  
26 representative is given reasonable notice by such repair shop of the  
27 need for supplemental repairs and a reasonable opportunity to inspect  
28 the motor vehicle prior to the commencement of such repairs. For  
29 purposes of this subsection, "supplemental charges" means (1) charges  
30 for additional parts or labor found to be necessary by such repair shop  
31 during the course of repair work where the charges are not included in  
32 the initial estimate of the parts and labor necessary to complete the  
33 repair, or (2) any deviation by such repair shop from any initial  
34 authorization for parts or labor as prepared by the insurer or the  
35 insurer's representative that is legally liable for compensating an  
36 insured for damage to the vehicle.

37 (b) A motor vehicle repair shop shall make any damaged motor  
38 vehicle in its possession available for inspection throughout the repair  
39 process by the insurer of such vehicle, or the insurer's representative,  
40 provided (1) reasonable notice is given to such repair shop of the  
41 insurer's intent to inspect such vehicle; and (2) the inspection is  
42 conducted during the posted hours of operation of such repair shop.

43 (c) Such insurer or the insurer's representative may waive the right  
44 to inspect a motor vehicle under the provisions of this section.

45 Sec. 3. Section 14-64 of the general statutes is repealed and the  
46 following is substituted in lieu thereof (*Effective October 1, 2007*):

47 The commissioner may suspend or revoke the license or licenses of  
48 any licensee or impose a civil penalty of not more than one thousand

49 dollars for each violation on any licensee or both, when, after notice  
50 and hearing, the commissioner finds that the licensee (1) has violated  
51 any provision of any statute or regulation of any state or any federal  
52 statute or regulation pertaining to its business as a licensee or has  
53 failed to comply with the terms of a final decision and order of any  
54 state department or federal agency concerning any such provision; or  
55 (2) has failed to maintain such records of transactions concerning the  
56 purchase, sale or repair of motor vehicles or major component parts, as  
57 required by such regulations as shall be adopted by the commissioner,  
58 for a period of two years after such purchase, sale or repairs, provided  
59 the records shall include the vehicle identification number and the  
60 name and address of the person from whom each vehicle or part was  
61 purchased and to whom each vehicle or part was sold, if a sale  
62 occurred; or (3) has failed to allow inspection of such records by the  
63 commissioner or the commissioner's representative during normal  
64 business hours, provided written notice stating the purpose of the  
65 inspection is furnished to the licensee, or has failed to allow inspection  
66 of such records by any representative of the Division of State Police  
67 within the Department of Public Safety or any organized local police  
68 department, which inspection may include examination of the  
69 premises to determine the accuracy of such records; or (4) has made a  
70 false statement as to the condition, prior ownership or prior use of any  
71 motor vehicle sold, exchanged, transferred, offered for sale or repaired  
72 if the licensee knew or should have known that such statement was  
73 false; or (5) is not qualified to conduct the licensed business, applying  
74 the standards of section 14-51 and the applicable regulations; or (6) has  
75 violated any provision of sections 42-221 to 42-226, inclusive; or (7) has  
76 failed to fully execute or provide the buyer with (A) an order as  
77 described in section 14-62, (B) the properly assigned certificate of title,  
78 or (C) a temporary transfer or new issue of registration; or (8) has  
79 failed to deliver a motor vehicle free and clear of all liens, unless  
80 written notification is given to the buyer stating such motor vehicle  
81 shall be purchased subject to a lien; or (9) has violated any provision of  
82 sections 14-65f to 14-65j, inclusive, or section 1 or 2 of this act; or (10)

83 has used registration number plates issued by the commissioner, in  
84 violation of the provisions and standards set forth in sections 14-59  
85 and 14-60 and the applicable regulations; or (11) has failed to secure or  
86 to account for or surrender to the commissioner on demand official  
87 registration plates or any other official materials in its custody. In  
88 addition to, or in lieu of, the imposition of any other penalties  
89 authorized by this section, the commissioner may order any such  
90 licensee to make restitution to any aggrieved customer.

91 Sec. 4. Section 14-65h of the general statutes is repealed and the  
92 following is substituted in lieu thereof (*Effective October 1, 2007*):

93 (a) All work done by a motor vehicle repair shop, including sublet  
94 repair work or repair work under warranty, shall be recorded on an  
95 invoice which shall specify the name and address of the repair shop,  
96 describe all service work done and parts supplied and state the cost of  
97 such service work and parts supplied, separately itemized. If any used  
98 parts are supplied, the invoice shall clearly state that fact. If any  
99 component system installed is composed of new and used parts, such  
100 invoice shall clearly state that fact. One copy of the invoice shall be  
101 given to the customer and one copy shall be retained by the motor  
102 vehicle repair shop. Any warranty made by a repair shop with respect  
103 to any repair work performed shall be stated in writing. If such written  
104 warranty does not include the cost of both parts and labor, it shall  
105 specifically state which is excluded from the scope of such warranty.

106 (b) The motor vehicle repair shop shall make available to the  
107 customer, if requested by the customer at the time written or oral  
108 authorization is provided for work to be performed, all replaced parts,  
109 components or equipment. If the repair shop is required to return such  
110 parts, components or equipment to the manufacturer or other person  
111 under any warranty or rebuilding arrangement, the repair shop shall  
112 make them available to the customer for inspection only.

113 (c) The motor vehicle repair shop shall make available, if requested  
114 by an insurer which issued an automobile liability policy on a motor

115 vehicle that has been repaired or such insurer's representative, a copy  
116 of the invoice. The motor vehicle repair shop shall certify, under  
117 penalty of false statement, that any deductible has been paid by the  
118 insured, that the estimated repairs were made and that such repairs  
119 included all items allowed by the insurer.

120 Sec. 5. Section 38a-790 of the general statutes is repealed and the  
121 following is substituted in lieu thereof (*Effective October 1, 2007*):

122 (a) No person shall act as an appraiser for motor vehicle physical  
123 damage claims on behalf of any insurance company, motor vehicle  
124 repair shop, as defined in section 14-65e, or any firm or corporation  
125 engaged in the adjustment or appraisal of motor vehicle claims unless  
126 such person has first secured a license from the Insurance  
127 Commissioner, and has paid the license fee specified in section 38a-11,  
128 for each two-year period or fraction thereof. The license shall be  
129 applied for as provided in section 38a-769. The commissioner may  
130 waive the requirement for examination in the case of any applicant for  
131 a motor vehicle physical damage appraiser's license who is a  
132 nonresident of this state and who holds an equivalent license from any  
133 other state. Any such license issued by the commissioner shall be in  
134 force until the thirtieth day of June in each odd-numbered year unless  
135 sooner revoked or suspended. The license may, in the discretion of the  
136 commissioner, be renewed biennially upon payment of the fee  
137 specified in section 38a-11. The commissioner may adopt reasonable  
138 regulations concerning standards for qualification, suspension or  
139 revocation of such licenses and the methods by which licensees shall  
140 conduct their business.

141 (b) Any person who violates any provision of this section shall be  
142 fined not more than five hundred dollars or imprisoned not more than  
143 one year or both.

144 (c) Any person who has been engaged in the business of motor  
145 vehicle physical damage appraising for a period of two consecutive  
146 years immediately prior to July 1, 1968, shall be granted a license upon

147 application with no further qualifications. The commissioner may  
148 waive the examination required under section 38a-769, in the case of  
149 an applicant who at any time within two years next preceding the date  
150 of application has been licensed in this state under a license of the  
151 same type as the license applied for.

152 (d) For purposes of this section and section 38a-769:

153 (1) "Motor vehicle" is defined as provided in section 14-1;

154 (2) "Motor vehicle physical damage appraiser" means (A) any  
155 person, partnership, association, limited liability company or  
156 corporation which practices as a business the appraising of damages to  
157 motor vehicles insured under automobile physical damage policies or  
158 on behalf of third party claimants, or (B) any person who appraises or  
159 estimates damage to motor vehicles on behalf of a motor vehicle repair  
160 shop, as defined in section 14-65e.

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|---|------------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                        |             |
| Section 1   | <i>October 1, 2007</i> | New section |
| Sec. 2  | <i>October 1, 2007</i> | New section |
| Sec. 3  | <i>October 1, 2007</i> | 14-64       |
| Sec. 4  | <i>October 1, 2007</i> | 14-65h      |
| Sec. 5  | <i>October 1, 2007</i> | 38a-790     |

**Statement of Purpose:**

To require all persons employed by motor vehicle repair shops that prepare appraisals or estimates for motor vehicle physical damage claims to be licensed as motor vehicle physical damage appraisers; to require all negotiations between such repair shops and insurers to be conducted by licensed appraisers; to allow insurers to inspect the damaged motor vehicle before supplemental repairs are made; and to require such repair shops to provide information to insurers on the repairs that were 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.]*