



House of Representatives

General Assembly

File No. 203

February Session, 2008

Substitute House Bill No. 5152

House of Representatives, March 26, 2008

The Committee on Insurance and Real Estate reported through REP. O'CONNOR of the 35th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MOTOR VEHICLE REPAIRS.

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 amended by
2 adding subsection (c) as follows (*Effective January 1, 2009*):

3 (NEW) (c) Any appraisal or estimate for a motor vehicle physical
4 damage claim written on behalf of an insurer shall include the
5 following notice, printed in not less than ten-point boldface type:

6 NOTICE:

7 YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR
8 SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL
9 BE REPAIRED.

10 Sec. 2. Section 38a-364 of the general statutes is repealed and the
11 following is substituted in lieu thereof (*Effective January 1, 2009*):

12 (a) For the purposes of sections 14-12b and 14-12c, subsection (a) of
13 section 14-13, sections 14-213b and 14-217 and this section, "private
14 passenger motor vehicle" shall have the same meaning as in subsection
15 (e) of section 38a-363.

16 (b) Each insurance company [which] that issues private passenger
17 motor vehicle liability insurance providing the security required by
18 sections 38a-19 of the 2008 supplement to the general statutes and 38a-
19 363 to 38a-388, inclusive, shall issue annually to each such insured an
20 automobile insurance identification card, in duplicate, for each insured
21 vehicle, one of which shall be presented to the commissioner as
22 provided in section 14-12b and the other carried in the vehicle as
23 provided in section 14-12f. Except as provided in subsection (c), such
24 card shall be effective for a period of one year and shall include the
25 name of the insured and insurer, the policy number, the effective date
26 of coverage, the year, make or model and vehicle identification
27 number of the insured vehicle and an appropriate space wherein the
28 insured may set forth the year, make or model and vehicle
29 identification number of any private passenger motor vehicle that
30 becomes covered as a result of a change in the covered vehicle during
31 the effective period of the identification card. When an insured has five
32 or more private passenger motor vehicles registered in this state, the
33 insurer may use the designation "all owned vehicles" on each card in
34 lieu of a specific vehicle description. Each insurance company that
35 delivers, issues for delivery or renews such private passenger motor
36 vehicle liability insurance in this state on or after January 1, 2009, shall
37 include on such card, the following notice, printed in capital letters
38 and boldface type:

39

NOTICE:

40 YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR
41 SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL
42 BE REPAIRED.

43 (c) Whenever a binder for such insurance is issued by an agent, the
44 agent shall also issue a temporary identification card, in duplicate, for

45 each covered vehicle effective for a period of sixty days from the date
 46 on which the binder becomes effective. Such temporary cards shall
 47 include the name of the insured and insurer, the printed name and
 48 signature of the agent or authorized representative, the effective date
 49 of the binder, the policy number or, if such number is not available, the
 50 agent's code number and the year, make or model and vehicle
 51 identification number of the insured vehicle.

52 (d) The provisions of this section shall apply only to private
 53 passenger motor vehicles registered in this state.

54 Sec. 3. Section 14-65i of the 2008 supplement to the general statutes
 55 is repealed and the following is substituted in lieu thereof (*Effective*
 56 *January 1, 2009*):

57 (a) Each motor vehicle repair shop shall prominently display a sign
 58 twenty-four inches by thirty-six inches in each area of its premises
 59 where work orders are placed by customers. The sign, which shall be
 60 in boldface type, shall read as follows:

61 THIS ESTABLISHMENT IS LICENSED WITH THE
 62 STATE DEPARTMENT OF MOTOR VEHICLES.
 63 EACH CUSTOMER IS ENTITLED TO...

64 _____

- 65 1. A WRITTEN ESTIMATE FOR REPAIR WORK.
- 66 2. A DETAILED INVOICE OF WORK DONE AND PARTS
 67 SUPPLIED.
- 68 3. RETURN OF REPLACED PARTS, PROVIDED THE REQUEST IS
 69 MADE AT THE TIME WRITTEN OR ORAL AUTHORIZATION IS
 70 PROVIDED FOR WORK TO BE PERFORMED.

71 _____

72 NO REPAIR WORK MAY BE UNDERTAKEN ON A VEHICLE
73 WITHOUT THE AUTHORIZATION OF THE CUSTOMER.

74 NO CHARGES FOR REPAIR MAY BE MADE IN EXCESS OF THE
75 WRITTEN ESTIMATE WITHOUT THE WRITTEN OR ORAL
76 CONSENT OF THE CUSTOMER.

77 _____
78 QUESTIONS CONCERNING THE ABOVE SHOULD BE
79 DIRECTED TO THE MANAGER OF THIS REPAIR FACILITY.

80 UNRESOLVED QUESTIONS REGARDING SERVICE WORK MAY
81 BE SUBMITTED TO:

82 _____

83 DEPARTMENT OF MOTOR VEHICLES

84 DEALER REPAIR DIVISION

85 60 STATE STREET, WETHERSFIELD, CONNECTICUT

86 TELEPHONE:

87 HOURS OF OPERATION:

88 (b) Each motor vehicle repair shop shall post a sign, as required by
89 this subsection, in each area of its premises where work orders are
90 placed by customers. The sign shall state: (1) The hourly charge for
91 labor; (2) the conditions, if any, under which the shop may impose
92 charges for storage, and the amount of any such charges; and (3) the
93 charge, if any, for a diagnosis.

94 (c) Each motor vehicle repair shop shall prominently display a sign
95 in each area of its premises where work orders are placed by
96 customers. The sign, which shall be in boldface type, shall read as
97 follows:

98 _____ NOTICE: _____

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

The bill requires disclosure to consumers of their right to choose a repair facility to complete repairs to their motor vehicles, among other provisions related to motor vehicle repairs, and it will not result in a fiscal impact for the Department of Insurance.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5152*****AN ACT CONCERNING MOTOR VEHICLE REPAIRS.*****SUMMARY:**

This bill requires a notice in motor vehicle repair shops, on a repair appraisal or estimate, and on auto insurance identification cards informing customers of their right to choose the licensed repair shop that will fix their vehicles. The law prohibits an insurer, unless an insured agrees in writing, and an appraiser from requiring that a person use a specific repair shop.

EFFECTIVE DATE: January 1, 2009

CONSUMER NOTICE***Appraisals***

The bill requires appraisals or estimates for automobile physical damage written on behalf of an insurer or a motor vehicle repair shop to include the following notice in at least 10-point boldface type:

NOTICE: YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL BE REPAIRED.

Repair Shops

By law, repair shops must display signs showing labor and storage rates, informing customers of certain rights, and how to contact the Department of Motor Vehicle (DMV). The bill requires every motor vehicle repair shop also to prominently display a sign in the area where customers place work orders that is in boldface type and reads as follows:

NOTICE: THE CUSTOMER HAS THE RIGHT TO CHOOSE THE

LICENSED REPAIR SHOP WHERE THE DAMAGE TO HIS OR HER MOTOR VEHICLE WILL BE REPAIRED.

Insurance Identification Cards

By law, insurers must issue automobile insurance identification cards annually, in duplicate, for each vehicle insured. For private passenger motor vehicle insurance policies delivered, issued, or renewed beginning January 1, 2009, insurers must include the following notice on the identification cards in boldface type:

NOTICE: YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL BE REPAIRED.

BACKGROUND

Licensed Repair Shop

By law, no one may operate a motor vehicle repair shop without a DMV new car dealer's, used car dealer's, repairer's, or limited repairer's license (CGS § 14-52). A "motor vehicle repair shop" means a new car dealer, a used car dealer, a repairer, or a limited repairer (CGS § 14-65e).

"Repairer" includes any person, firm, or corporation qualified to conduct such business, having a suitable facility and adequate equipment, engaged in repairing, overhauling, adjusting, assembling, or disassembling any motor vehicle. It excludes a person engaged in tire repairs, upholstery, glazing, general blacksmithing, welding, and machine work on motor vehicle parts when a licensed repairer disassembles and reassembles the parts (CGS § 14-51(3)).

"Limited repairer" includes any qualified person, having a suitable place of business and adequate equipment, engaged in the business of minor repairs, including cooling, electrical, fuel, and exhaust system repairs and replacement; brake adjustments, relining, and repairs; wheel alignment and balancing; and shock absorber repairs and replacement. It excludes lubricating motor vehicles; adding or changing oil or other motor vehicle fluids; changing tires and tubes,

including the balancing of wheels; or installing batteries or light bulbs, windshield wiper blades, or drive belts (CGS § 14-51(4)).

Related Bill

The Transportation Committee reported out SB 288, which requires a similar consumer notice on appraisals. It also:

1. prohibits an insurer from recommending, requesting, or requiring that a customer use a particular motor vehicle repairer,
2. permits an insurer or appraiser to give a customer a list of repair shops near his or her home,
3. requires insurers to pay the usual and customary labor rate (U&C) for vehicle repairs, and
4. makes it an unfair or deceptive insurance practice not to pay (a) U&C or (b) by means that makes money immediately available.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/11/2008)