



General Assembly

January Session, 2009

Raised Bill No. 896

LCO No. 2659

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING THE REPAIR OF DAMAGED MOTOR VEHICLES.

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

1 Section 1. Section 14-65f of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) (1) Prior to performing any repair work on a motor vehicle, a
4 motor vehicle repair shop shall obtain a written authorization to
5 perform the work, on an invoice signed by the customer, [which] that
6 includes an estimate in writing of the maximum cost to the customer of
7 the parts and labor necessary for the specific job authorized. A repair
8 shop shall not charge for work done or parts supplied without a
9 written authorization or in excess of the estimate unless the customer
10 gives consent orally or in writing.

11 (2) In addition to, or as part of, the written authorization set forth in
12 subdivision (1) of this subsection, a motor vehicle repair shop shall
13 obtain a written acknowledgment that the customer is aware of his or
14 her right to choose the licensed repair shop where the motor vehicle
15 will be repaired. Such acknowledgment shall read as follows: "I am

16 aware of my right to choose the licensed repair shop where the
17 damage to the motor vehicle will be repaired." A repair shop shall not
18 repair a motor vehicle without such acknowledgment, which may be
19 transmitted by facsimile or by electronic mail.

20 (b) If the repair shop is unable to estimate the cost of repair because
21 the specific repairs to be performed are not known at the time the
22 vehicle is delivered to the repair shop, the written authorization
23 required by this section need not include an estimate of the maximum
24 cost of parts and labor. In such a case, prior to commencing any
25 repairs, the repair shop shall notify the customer of the work to be
26 performed and the estimated maximum cost to the customer of the
27 necessary parts and labor, obtain the customer's written or oral
28 authorization and record such information on the invoice.

29 (c) (1) If, during the course of performing repair work, the repair
30 shop discovers that repairs other than those authorized are needed or
31 that the cost of authorized repairs will exceed the estimate, and the
32 customer rather than an insurer is paying for such repairs, the repair
33 shop shall not proceed with the repairs without first obtaining the
34 customer's additional written or oral consent and recording such
35 information on the invoice.

36 (2) If the motor vehicle to which such repairs are to be made is the
37 subject of an automobile liability insurance policy claim, prior to the
38 commencement of such repairs, the motor vehicle repair shop shall
39 give reasonable notice to the insurer or the insurer's representative of
40 (A) the need for supplemental repairs, and (B) a period of at least three
41 business days, excluding weekends and holidays, after receipt of
42 notice to inspect the motor vehicle. Such repair shops shall not
43 commence such repairs unless such insurer or insurer's representative
44 has approved such repairs after inspection. For purposes of this
45 subdivision, "supplemental charges" means (i) charges for additional
46 parts or labor found to be necessary by such repair shop during the
47 course of repair work where the charges are not included in the initial

48 estimate of the parts and labor necessary to complete the repairs, or (ii)
49 the amount of any deviation by such repair shop from any initial
50 authorization for parts or labor as prepared by the insurer or the
51 insurer's representative that is legally liable for compensating an
52 insured for damage to the vehicle.

53 (3) Such insurer or the insurer's representative may waive the right
54 to inspect a motor vehicle under the provisions of this subsection.

55 (4) No motor vehicle repair shop that fails to comply with the
56 requirements set forth in subdivisions (2) and (3) of this subsection
57 shall demand payment for supplemental charges from an insurer or
58 from any other third party.

59 (d) No repair shop shall have a claim against a motor vehicle for
60 repairs, other than for repairs actually performed and authorized, in an
61 amount greater than that authorized by the customer under the
62 provisions of sections 14-65e to 14-65j, inclusive, as amended by this
63 act.

64 (e) If a motor vehicle is delivered to a repair shop at a time when the
65 shop is not open for business, the authorization to repair the vehicle
66 and the estimate of the cost of parts and labor may be given orally but
67 shall be recorded on the invoice.

68 (f) Unless requested by a customer, the requirement for a repair
69 shop to furnish an advance written estimate shall not apply to repair
70 work for which the total cost for parts and labor is less than fifty
71 dollars.

72 Sec. 2. Section 14-65h of the general statutes is repealed and the
73 following is substituted in lieu thereof (*Effective October 1, 2009*):

74 (a) All work done by a motor vehicle repair shop, including sublet
75 repair work or repair work under warranty, shall be recorded on an
76 invoice which shall specify the name and address of the repair shop,
77 describe all service work done and parts supplied and state the cost of

78 such service work and parts supplied, separately itemized. If any used
79 parts are supplied, the invoice shall clearly state that fact. If any
80 component system installed is composed of new and used parts, such
81 invoice shall clearly state that fact. One copy of the invoice shall be
82 given to the customer and one copy shall be retained by the motor
83 vehicle repair shop. Any warranty made by a repair shop with respect
84 to any repair work performed shall be stated in writing. If such written
85 warranty does not include the cost of both parts and labor, it shall
86 specifically state which is excluded from the scope of such warranty.

87 (b) The motor vehicle repair shop shall make available to the
88 customer, if requested by the customer at the time written or oral
89 authorization is provided for work to be performed, all replaced parts,
90 components or equipment. If the repair shop is required to return such
91 parts, components or equipment to the manufacturer or other person
92 under any warranty or rebuilding arrangement, the repair shop shall
93 make them available to the customer for inspection only.

94 (c) The motor vehicle repair shop shall make available to an insurer
95 that issued the automobile liability insurance policy on a motor vehicle
96 that has been repaired by such repair shop, if requested by such
97 insurer or such insurer's representative, a copy of the invoice. The
98 motor vehicle repair shop shall certify under penalty of false statement
99 that: (1) Any deductible has been paid by the insured; (2) all repairs
100 were made pursuant to the estimate set forth in subsection (a) of
101 section 14-65f, as amended by this act; and (3) such repairs included all
102 items authorized by the insurer.

103 Sec. 3. (NEW) (*Effective October 1, 2009*) (a) Each motor vehicle repair
104 shop, as defined in section 14-65e of the general statutes, shall employ
105 at least one motor vehicle physical damage appraiser licensed under
106 section 38a-790 of the general statutes, as amended by this act. Such
107 appraiser shall prepare motor vehicle physical damage appraisals and
108 estimates of the cost of repairs for such damages, and shall conduct all
109 negotiations on behalf of such repair shop concerning such appraisal

110 or estimate with the insurer that issued the automobile liability
111 insurance policy for the motor vehicle that is the subject of such
112 appraisal or estimate.

113 (b) No motor vehicle repair shop shall authorize any employee to
114 issue nor shall any employee of such repair shop issue a motor vehicle
115 physical damage appraisal or estimate of the cost of repairs for such
116 damages if such employee is not duly licensed under section 38a-790 of
117 the general statutes, as amended by this act.

118 Sec. 4. Section 38a-790 of the general statutes is repealed and the
119 following is substituted in lieu thereof (*Effective October 1, 2009*):

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

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

142 (c) Any person who has been engaged in the business of motor
143 vehicle physical damage appraising for a period of two consecutive
144 years immediately prior to July 1, 1968, shall be granted a license upon
145 application with no further qualifications. The commissioner may
146 waive the examination required under section 38a-769, in the case of
147 an applicant who at any time within two years next preceding the date
148 of application has been licensed in this state under a license of the
149 same type as the license applied for.

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

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

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

159 Sec. 5. Section 14-64 of the general statutes is repealed and the
160 following is substituted in lieu thereof (*Effective October 1, 2009*):

161 The commissioner may suspend or revoke the license or licenses of
162 any licensee or impose a civil penalty of not more than one thousand
163 dollars for each violation on any licensee or both, when, after notice
164 and hearing, the commissioner finds that the licensee (1) has violated
165 any provision of any statute or regulation of any state or any federal
166 statute or regulation pertaining to its business as a licensee or has
167 failed to comply with the terms of a final decision and order of any
168 state department or federal agency concerning any such provision; or
169 (2) has failed to maintain such records of transactions concerning the
170 purchase, sale or repair of motor vehicles or major component parts, as
171 required by such regulations as shall be adopted by the commissioner,
172 for a period of two years after such purchase, sale or repairs, provided

173 the records shall include the vehicle identification number and the
174 name and address of the person from whom each vehicle or part was
175 purchased and to whom each vehicle or part was sold, if a sale
176 occurred; or (3) has failed to allow inspection of such records by the
177 commissioner or the commissioner's representative during normal
178 business hours, provided written notice stating the purpose of the
179 inspection is furnished to the licensee, or has failed to allow inspection
180 of such records by any representative of the Division of State Police
181 within the Department of Public Safety or any organized local police
182 department, which inspection may include examination of the
183 premises to determine the accuracy of such records; or (4) has made a
184 false statement as to the condition, prior ownership or prior use of any
185 motor vehicle sold, exchanged, transferred, offered for sale or repaired
186 if the licensee knew or should have known that such statement was
187 false; or (5) is not qualified to conduct the licensed business, applying
188 the standards of section 14-51 and the applicable regulations; or (6) has
189 violated any provision of sections 42-221 to 42-226, inclusive; or (7) has
190 failed to fully execute or provide the buyer with (A) an order as
191 described in section 14-62, (B) the properly assigned certificate of title,
192 or (C) a temporary transfer or new issue of registration; or (8) has
193 failed to deliver a motor vehicle free and clear of all liens, unless
194 written notification is given to the buyer stating such motor vehicle
195 shall be purchased subject to a lien; or (9) has violated any provision of
196 sections 14-65f to 14-65j, inclusive, or section 3 or 6 of this act; or (10)
197 has used registration number plates issued by the commissioner, in
198 violation of the provisions and standards set forth in sections 14-59
199 and 14-60 and the applicable regulations; or (11) has failed to secure or
200 to account for or surrender to the commissioner on demand official
201 registration plates or any other official materials in its custody. In
202 addition to, or in lieu of, the imposition of any other penalties
203 authorized by this section, the commissioner may order any such
204 licensee to make restitution to any aggrieved customer.

205 Sec. 6. (NEW) (*Effective October 1, 2009*) (a) Any insurer that delivers,
206 issues for delivery, renews, amends or endorses automobile liability

207 insurance policies in this state may inspect a motor vehicle for which it
208 has approved a claim for the cost of repairs to be made to such motor
209 vehicle.

210 (b) (1) Upon notice from any such insurer, a motor vehicle repair
211 shop, as defined in section 14-65e of the general statutes, shall make
212 such motor vehicle available for inspection by the insurer's
213 representative, who shall be a motor vehicle physical damage
214 appraiser licensed under section 38a-790 of the general statutes, as
215 amended by this act. Such inspection shall be performed during such
216 repair shop's normal business hours, beginning with the next business
217 day after receipt of such notice.

218 (2) The insurer's representative shall be allowed to conduct an
219 inspection without interference from the motor vehicle repair shop's
220 employees or personnel.

221 (3) Upon request by such representative, the repair shop shall
222 provide a copy of all invoices and receipts for all parts purchased by
223 such repair shop for repairs to such motor vehicle.

224 Sec. 7. Section 14-65m is repealed. (*Effective October 1, 2009*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	14-65f
Sec. 2	<i>October 1, 2009</i>	14-65h
Sec. 3	<i>October 1, 2009</i>	New section
Sec. 4	<i>October 1, 2009</i>	38a-790
Sec. 5	<i>October 1, 2009</i>	14-64
Sec. 6	<i>October 1, 2009</i>	New section
Sec. 7	<i>October 1, 2009</i>	Repealer section

Statement of Purpose:

To protect consumers' rights, ensure quality and prevent fraud in the repair of damaged motor vehicles.

[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.]