



General Assembly

February Session, 2010

Raised Bill No. 5298

LCO No. 1570

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT PROHIBITING INCENTIVES FROM AUTOMOBILE GLASS REPAIR SHOPS.

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

1 Section 1. Section 38a-354 of the 2010 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2010*):

4 (a) (1) No automobile physical damage appraiser shall require that
5 appraisals or repairs should or should not be made in a specified
6 facility or repair shop or shops.

7 (2) No such appraiser shall provide or offer any rebate, gift, prize or
8 other item of value to (A) an employee or agent of an insurance
9 company, (B) an insured or customer, or (C) a spouse or child of such
10 employee, agent, insured or customer, in exchange for appraisals or
11 repairs to be made in a specified automobile glass repair shop.

12 (b) (1) No insurance company doing business in this state [,] or
13 employee, agent or adjuster [for] of such company shall [(1)] (A)
14 require any insured to use a specific person for the provision of

15 automobile physical damage repairs, automobile glass replacement,
16 glass repair service or glass products, or [(2)] (B) state that choosing a
17 facility other than a motor vehicle repair shop participating in a motor
18 vehicle repair program established by such company will result in
19 delays in repairing the motor vehicle or a lack of guarantee for repair
20 work.

21 (2) No (A) insurance company doing business in this state, (B)
22 employee, agent or adjuster of such company, or (C) spouse or child of
23 an employee, agent or adjuster of such insurance company, shall
24 request, require or accept any rebate, gift, prize or other item of value
25 from an automobile glass repair shop as an inducement to or as a
26 condition for referring an insured to such automobile glass repair
27 shop. For the purposes of this subdivision, "rebate, gift, prize or other
28 item of value" does not include discounts extended by an automobile
29 glass repair shop to an insurance company for parts, glass, labor rate
30 or other items that would be included on an invoice provided by the
31 automobile glass repair shop pursuant to section 14-65h, or customer
32 service provided by the automobile glass repair shop to an insurance
33 company.

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

37 NOTICE:

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

41 (d) Any person who violates the provisions of subdivision (2) of
42 subsection (a) of this section or subdivision (2) of subsection (b) of this
43 section shall be fined not more than two thousand dollars for each
44 violation.

45 Sec. 2. Section 14-65j of the general statutes is repealed and the
46 following is substituted in lieu thereof (*Effective October 1, 2010*):

47 (a) No repair shop shall make any statement to a customer which it
48 knows or should know to be false or misleading. Such statements
49 include, but are not limited to, statements as to the necessity of repairs,
50 the condition of the customer's vehicle, and whether particular repairs
51 have been performed by the shop.

52 (b) No repair shop shall charge a customer for repairs which have
53 not been performed.

54 (c) A repair shop shall complete repairs on a motor vehicle on the
55 same business day the vehicle is delivered to the repair shop by the
56 customer, unless: (1) The customer is informed at the time the vehicle
57 is delivered that repairs will not be completed on the day of delivery;
58 (2) the customer consents to a later date of completion; or (3) as soon as
59 it learns that repairs will not be completed on the day of delivery, the
60 repair shop makes reasonable efforts to notify the customer and obtain
61 consent but is unable to contact the customer. Such efforts shall be
62 included in the record required by subsection (d) of section 14-65g.

63 (d) No owner, employee or agent of a motor vehicle glass repair
64 shop, or a spouse or child of an owner, employee or agent of such
65 motor vehicle glass repair shop, shall provide or offer any rebate, gift,
66 prize or other item of value to (1) an employee or agent of an insurance
67 company, or (2) a spouse or child of such employee or agent, in
68 exchange for selecting such motor vehicle glass repair shop to perform
69 motor vehicle glass repairs. For the purposes of this subsection,
70 "rebate, gift, prize or other item of value" does not include discounts
71 on parts, glass, labor rate or other items included on the invoice
72 provided by the motor vehicle glass repair shop pursuant to section
73 14-65h, or customer service provided by the motor vehicle glass repair
74 shop to an insurance company. Any person who violates the
75 provisions of this subsection shall be fined not more than two
76 thousand dollars for each violation.

77 [(d)] (e) The Commissioner of Motor Vehicles shall adopt
78 regulations in accordance with chapter 54 to carry out the provisions of
79 sections 14-65e to 14-65j, inclusive.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	38a-354
Sec. 2	<i>October 1, 2010</i>	14-65j

Statement of Purpose:

To prohibit automobile glass repair shops, insurance companies and automobile physical damage appraisers from providing, offering, requesting, requiring or accepting a rebate, gift, prize or other item of value in exchange for using a certain automobile glass repair shop.

[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.]