

FIRST REGULAR SESSION

SENATE BILL NO. 709

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SHOEMYER.

Read 1st time March 1, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

2585L.02I

AN ACT

To amend chapter 379, RSMo, by adding thereto one new section relating to automobile insurance.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 379, RSMo, is amended by adding thereto one new section, to be known as section 379.109, to read as follows:

379.109. 1. An insurer may refer the vehicle owner to a list of shops if they are specifically asked for a referral.

2. All claims paid by an insurer, a holding company of an insurer, or a wholly owned subsidiary of an insurer for any loss to motor vehicles or any claim for damages to motor vehicles shall be paid to the claimant by check, electronic transfer to the claimant, or other means that provides the claimant immediate access to the funds.

3. The labor rate for the repair of damages to motor vehicles that is paid by an insurer, a holding company of an insurer, or a wholly owned subsidiary of an insurer to the claimant shall be based on the usual and customary rate for such repairs. For the purposes of this subsection, "usual and customary rate" means the labor rate that the general public commonly pays for similar repairs on similar motor vehicles in the same geographic area of the state.

4. Any violation of the provisions of this section by an insurer shall be deemed an unfair or deceptive insurance practice under sections 375.930 to 375.948, RSMo.

5. No automobile physical damage appraiser shall request or require that appraisals or repairs should or should not be made in a specified facility or repair shop or shops. Such appraiser shall include on the heading of such appraisal the following notice, printed in not

22 less than ten point boldface type:

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"NOTICE

24 **UNDER MISSOURI LAW, THE CONSUMER HAS THE RIGHT TO**
25 **CHOOSE THE REPAIR FACILITY TO MAKE REPAIRS TO A MOTOR**
26 **VEHICLE AND AN INSURANCE COMPANY SHALL NOT INTERFERE IN**
27 **ANY MANNER WITH THE CONSUMER'S CHOICE OF REPAIR**
28 **FACILITY."**

29 **6. No insurance company doing business in this state, or agent**
30 **or adjuster for such company, shall request or require any insured to**
31 **use a specific person or business for the provision of automobile**
32 **physical damage repairs, automobile glass replacement, glass repair**
33 **service, or glass products unless otherwise agreed to in writing by the**
34 **insured.**

35 **7. For the purposes of this section, "request or require" includes**
36 **any act to influence a consumer's decision, including but not limited to:**

37 **(1) Reducing the amount of the deductible or premium, or**
38 **offering additional warranties if the consumer chooses a preferred**
39 **repair facility; or**

40 **(2) Suggesting that choosing a facility other than a preferred**
41 **repair facility will result in delays in repairing the motor vehicle, a**
42 **lack of guaranty for repair work or additional cost to the insured.**

43 **8. Any physical damage appraiser preparing an estimate of**
44 **damage on a motor vehicle or altering any previously prepared**
45 **estimate of damage on a motor vehicle shall have made a physical**
46 **inspection of the damage to the vehicle. After such inspection is made,**
47 **negotiations, if needed, may proceed in a reasonable manner.**

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