

# MAINE STATE LEGISLATURE

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H.O.S.

L.D. 311

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4  
DATE: 4/14/05

(Filing No. H-136)

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**INSURANCE AND FINANCIAL SERVICES**

10 Reproduced and distributed under the direction of the Clerk of  
12 the House.

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
122ND LEGISLATURE  
FIRST SPECIAL SESSION**

18  
20 COMMITTEE AMENDMENT "A" to H.P. 235, L.D. 311, Bill, "An  
Act To Prohibit Steering in Automobile Insurance"

22 Amend the bill by striking out everything after the enacting  
24 clause and before the summary and inserting in its place the  
following:

26 'Sec. 1. 24-A MRS §2164-C, as amended by PL 1993, c. 203,  
28 §1, is repealed and the following enacted in its place:

30 **§2164-C. Free competition**

32 **1. Appraisals or repairs to motor vehicle glass.** A domestic  
34 or foreign insurer or its agent or employee may not require,  
directly or indirectly, that appraisals or repairs to motor  
vehicle glass be made or not be made in a specified place of  
business.

36 A domestic or foreign insurer or its agent or employee may not  
38 contract with any person to act as its agent for purposes of  
managing, handling or arranging repair or replacement of motor  
40 vehicle glass when that person is compensated by payment of a  
42 portion of the difference between the list price of the product  
or services provided and the amount paid to the person providing  
44 repair and replacement service.

46 **2. Appraisals or repairs to motor vehicles for collision**  
**damage.** A domestic or foreign insurer or its agent or employee

**COMMITTEE AMENDMENT**

2 may not require, directly or indirectly, that appraisals or  
3 repairs to motor vehicles with collision damage be made or not be  
4 made in a specified place of business.

6 A domestic or foreign insurer or its agent or employee may not  
7 contract with any person to act as its agent for purposes of  
8 managing, handling or arranging repair or replacement of motor  
9 vehicles for collision damage when that person is compensated by  
10 payment of a portion of the difference between the list price of  
11 the product or services provided and the amount paid to the  
12 person providing repair and replacement service.

14 A domestic or foreign insurer or its agent or employee may not  
15 recommend the use of a particular motor vehicle repair service or  
16 network of repair services without informing the claimant that  
17 the claimant is under no obligation to use the recommended repair  
18 service or network of repair services.

20 **Sec. 2. Bureau of Insurance bulletin.** On or before November 1,  
21 2005, the Department of Professional and Financial Regulation,  
22 Bureau of Insurance shall issue to insurance companies and  
23 insurance producers who place motor vehicle insurance a bulletin  
24 regarding the amended provisions of the Maine Revised Statutes,  
25 Title 24-A, section 2164-C related to motor vehicle repairs.'

## 26 SUMMARY

28 This amendment replaces the bill. The amendment would  
29 regulate the relationship between auto insurers and auto repair  
30 shops in the same manner as between auto insurers and auto glass  
31 shops by preventing auto insurers from directly or indirectly  
32 requiring insureds' auto repairs to be made in a specified place  
33 of business. The amendment prohibits an insurer from recommending  
34 the use of a particular repair service unless the insurer  
35 discloses that the claimant is under no obligation to use the  
36 recommended repair service.

38 The amendment also requires the Department of Professional  
39 and Financial Regulation, Bureau of Insurance to issue a bulletin  
40 regarding this provision by November 1, 2005 to insurance  
41 companies and insurance producers who place motor vehicle  
42 insurance.

44  
46 **FISCAL NOTE REQUIRED**  
47 **(See attached)**



# 122nd MAINE LEGISLATURE

LD 311

LR 1722(02)

## An Act To Prohibit Steering in Automobile Insurance

**Fiscal Note for Bill as Amended by Committee Amendment "A"**

**Committee: Insurance and Financial Services**

**Fiscal Note Required: Yes**

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### Fiscal Note

Minor cost increase - Other Special Revenue Funds

#### Fiscal Detail and Notes

Any additional costs to the Bureau of Insurance in the Department of Professional and Financial Regulation can be absorbed utilizing existing resources.