

MAINE STATE LEGISLATURE

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MA
H. of S.

L.D. 1540

Date: 5/24/17 Majority

(Filing No. H-278)

INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1061, L.D. 1540, Bill, "An Act To Protect Consumers' Freedom of Choice in Auto Collision Repairs"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 24-A MRSA §2164-C, sub-§2, as enacted by PL 2005, c. 101, §1, is amended to read:

2. Appraisals or repairs to motor vehicles for collision damage. A domestic or foreign insurer or its agent or employee may not require, directly or indirectly, that appraisals or repairs to motor vehicles with collision damage be made or not be made in a specified place of business.

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

A domestic or foreign insurer or its agent or employee may not recommend the use of a particular motor vehicle repair service or network of repair services without informing the claimant that the claimant is under no obligation to use the recommended repair service or network of repair services. If a domestic or foreign insurer or its agent or employee recommends the use of a particular motor vehicle repair service or network of repair services, the following advisory must be made to the insured or claimant at the time a claim for motor vehicle collision damage is reported:

"You have the legal right to choose a motor vehicle collision repair shop to fix your vehicle. Your policy will cover the reasonable costs of repairing your vehicle to its pre-accident condition no matter where you have repairs made."

COMMITTEE AMENDMENT

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SUMMARY

This amendment is the majority report of the committee and replaces the bill. The amendment clarifies the provision of law regarding an insurer's communication with an insured or a claimant filing a claim for collision damage to an automobile by requiring an insurer that recommends a particular motor vehicle repair service or a network of repair services to convey to an insured or a claimant upon receiving the claim that the insured or claimant has the legal right to choose the motor vehicle repair service to fix the vehicle.