

State Corporation Commission
2003 Fiscal Impact Statement

1. Bill Number HB2267

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hargrove

3. Committee Commerce and Labor

4. Title Insurance; unfair settlement practices; replacement and repair.

5. Summary/Purpose: Prohibits insurers (the law uses the term "person") from (i) recommending a designated motor vehicle repair or replacement facility in connection with a claim; (ii) failing to disclose that the insured or claimant is not obligated to use the repair or replacement facility recommended by the insurer or its representative; and (iii) failing to disclose to the insured or claimant if the insurer or its representative has a financial interest in the recommended repair or replacement facility. The bill states that the use of a repair or replacement facility chosen by the insurer, its representative, the insured, or the claimant in no way alters the insurer's liability under the policy or the insured's or claimant's obligations under the policy or under law. The bill also states that a designated repair or replacement facility includes any shop in an insurer's network or an insurer's preferred vendor list. The provisions of the act will apply to motor vehicle insurance policies issued or renewed on or after July 1, 2003.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary: No

8. Fiscal implications: None

9. Specific agency or political subdivisions affected: State Corporation Commission
Bureau of Insurance

10. Technical amendment necessary: On Line 31, the first word "insured" should be "insurer." Also, the provisions in paragraph A3 appear to contradict the provisions set forth in paragraphs A4 and A5.

11. Other comments: None

Date: 01/20/03/V. Tompkins

cc: Secretary of Commerce and Trade