

# State Corporation Commission

## 2016 Fiscal Impact Statement

**1. Bill Number:** HB870

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Hugo

**3. Committee:** Commerce and Labor

**4. Title:** Unfair claim settlement practices; appraisal of automobile repair costs.

**5. Summary:** Unfair claim settlement practices; appraisal of automobile repair costs. Authorizes the repair facility or the insurer making the appraisal of the cost of repairing an automobile that has been damaged as the result of a covered loss to prepare an initial repair appraisal, which may be the final repair appraisal, on the automobile either from personal inspection of the vehicle by a representative of the repair facility or insurer or from photographs, videos, or electronically transmitted digital imagery of the automobile. The measure prohibits an insurer from requiring an owner of an automobile to submit photographs, videos, or electronically transmitted digital imagery as a condition of an appraisal. Currently, a person is prohibited from making appraisals of the cost of repairing an automobile that has been damaged as a result of a collision unless the appraisal is based upon a personal inspection. An insurer's violation of the requirement with such frequency as to indicate a general business practice constitutes an unfair claim settlement practice.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

**8. Fiscal implications:** None on the State Corporation Commission

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

**10. Technical amendment necessary:** No

**11. Other comments:** The patron introduced House Bill 870 at the request of insurance industry to allow for the use of smart device technology in the filing/appraising of automobile damage claims. Currently, the claim process cannot be completed without the personal inspection by the insurer or collision repairer. If House Bill 870 were enacted, claimants could choose to repair the damages or not, without further inspection requirements than the initial photographic, video or digital imagery, and receive payment from the initial report and imagery. A personal inspection may still be necessary to identify possible hidden damages.

House Bill 870 is identical to Senate Bill 193.

**Date:** 01/17/16/V. Tompkins

cc: Secretary of Commerce and Trade