

# State Corporation Commission

## 2016 Fiscal Impact Statement

**1. Bill Number:** SB193

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Stuart

**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. Supplemental repair estimates that become necessary after the repair work has been initiated due to discovery of additional damage to the motor vehicle may also be made from photographs, videos, or electronically transmitted digital imagery of the motor vehicle, provided that in the case of disputed repairs, a personal inspection is required. 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 Senate Bill 193 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 Senate Bill 193 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.

The amendment in the nature of a substitute to Senate Bill 193 changes “automobile” to “motor vehicle” at line 48 to allow the bill to include all motor vehicle losses. Additional language was added in lines 57-60 to allow real or digital imagery to also be used for supplemental repair estimates of damages discovered after the repair work has been initiated as long as the repairs are undisputed. If repairs are disputed, a personal inspection would be required.

Senate Bill 193 is identical to House Bill 870.

**Date:** 02/10/16/V. Tompkins

cc: Secretary of Commerce and Trade