

1997 SESSION

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HOUSE JOINT RESOLUTION NO. 542

Offered January 20, 1997

Requesting the Bureau of Insurance to study exclusive agreements between insurance companies and repair or replacement facilities and the effect these arrangements have on the ability of an insured or a claimant to choose a repair or replacement facility.

Patrons—Behm and Clement

Referred to Committee on Rules

WHEREAS, exclusive agreements between insurance companies and repair or replacement facilities have been adopted by a growing number of insurance companies within the Commonwealth; and

WHEREAS, the existence of such exclusive arrangements systematically results in consumers being denied the right to use the repair or replacement facility of their choice; and

WHEREAS, allowing consumers the right to choose the repair or replacement facility helps preserve the existence of small, independent businesses; and

WHEREAS, preventing insurance companies from implementing exclusive repair or replacement facilities arrangements reduces the potential for pressure, intimidation, and coercion against the insured or claimant and promotes competition; and

WHEREAS, the Bureau of Insurance can use its resources and data to analyze the scope of the problems associated with exclusive arrangements and can provide timely and effective recommendations to prevent the erosion of competition; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Bureau of Insurance be requested to study exclusive agreements between insurance companies and repair or replacement facilities and the effect these arrangements have on the ability of an insured or a claimant to choose a repair or replacement facility. The Bureau of Insurance should examine available information to determine the scope of the problem within the Commonwealth and develop recommendations designed to prevent a coercive and anti-competitive environment in the repair and replacement market.

All agencies of the Commonwealth shall provide assistance to the Bureau of Insurance for this study, upon request.

The Bureau of Insurance shall complete its work in time to submit its findings and recommendations to the Governor and the 1998 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

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