

March 24, 2005

S 952. MOTOR VEHICLE REPAIR CONSUMER PROTECTION. *TO PROTECT CONSUMERS BY PROHIBITING COERCIVE AND DISCRIMINATORY PRACTICES IN THE REPAIR OF MOTOR VEHICLES AND AUTOMOBILE GLASS REPAIR AND REPLACEMENT, BY PROVIDING FOR MORE CONSUMER DISCLOSURE BY INSURERS IN THE COLLISION REPAIR PROCESS, AND BY IMPOSING STRICTER MOTOR VEHICLE DAMAGE AND AUTOMOBILE GLASS REPAIR REGULATIONS AND PENALTIES ON INSURERS.* Rewrites GS 58-3-180 to (1) require that motor vehicle insurance policies allow a claimant to select the repair service or source for repair or replacement of automobile glass, and (2) prohibit an insurer's (a) suggesting or recommending use of a particular repair service or glass repair or replacement service (hereafter, repair service) unless the claimant expressly requested a referral; (b) owning or holding a controlling interest in a repair service that performs services arising from automobile insurance claims; (c) making a written or oral statement that willfully misrepresents a repair service or willfully disparages a repair service chosen by the claimant; (d) discriminating against a claimant or claimant's chosen repair service in any way; (e) refusing to acknowledge a claimant's choice of repair service; (f) refusing to insure or continue to insure an individual or limit coverage due to a claimant's choice of a repair service; or (g) limiting or discounting the reasonable basis of the repair cost based on charges that would have been incurred had the vehicle been repaired by the insurer's suggested or recommended repair service, if the claimant elects to have the vehicle repaired at a repair service of that person's choice. Sets out information an insurer must provide if the insurer suggests or recommends a particular repair service. Increases the maximum penalty for violation of the section from \$2,000 to \$5,000, describes particular types of violations, and provides that violators are liable for damages suffered by the claimant or repair services, including attorney fees. Adds repair services business to provisions in GS 58-63-15 relating to false information and advertising; defamation; boycott, coercion, and intimidation; and fraudulent, coercive, or dishonest practices. Enacts new GS 75-39, setting out prohibited acts by a person or entity doing business in the state that installs, repairs, or replaces automobile glass, and makes violation of the section an unfair trade practice. Effective October 1, 2005.

Intro. by Lucas.

Ref. to Commerce

GS 58, 75