

HOUSE No. 2965

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Lawn, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act requiring the commissioner of insurance to study the labor rates paid by auto insurers for the repair of damaged motor vehicles.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>
<i>John W. Scibak</i>	<i>2nd Hampshire</i>
<i>Timothy R. Whelan</i>	<i>1st Barnstable</i>

HOUSE No. 2965

By Mr. Lawn of Watertown, a petition (accompanied by bill, House, No. 2965) of John J. Lawn, Jr., John W. Scibak and Timothy R. Whelan for an investigation by the commissioner of insurance of the labor rates paid by motor vehicle insurers for the repair of damaged motor vehicles. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act requiring the commissioner of insurance to study the labor rates paid by auto insurers for the repair of damaged motor vehicles.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 1. The commissioner of insurance shall conduct an investigation and study
2 relating to the repair of damaged motor vehicles. Such investigation and study shall encompass
3 the following matters, and such other related matters determined to be relevant by the
4 commissioner:

5 1. for the most recent five-year period, the hourly labor rates paid by the top 10 auto
6 insurers to registered motor vehicle repair shops in connection with the repair of damaged motor
7 vehicles and how those labor rates relate to the labor rates paid in other New England states and
8 in other states of the United States and the causes for differences in the rates paid in
9 Massachusetts compared to other states;

10 2. for the most recent five year period, the number of registered motor vehicle repair
11 shops in Massachusetts compared to the number of repair shops in other New England states and

12 in other states of the United States, the numbers of such repair shops relative to the number of
13 physical damage claims, and the impact any such differences in the number of such repair shops
14 in Massachusetts may have on the hourly labor rate paid to registered motor vehicle repair shops;

15 3. for the most recent five year period, the average number of time it takes registered
16 motor vehicle shops in Massachusetts to repair damaged motor in relation to the repair times in
17 other states;

18 4. for the most recent five year period, the average number of days of use of rental cars in
19 connection with the repair of damaged motor vehicles in Massachusetts in relation to the
20 replacement rental times in other states;

21 5. The following information from registered repair shops for the past 5 years and such
22 additional information from repair shops as determined by the commissioner:

23 whether registered repair shops participate in insurers' direct pay programs, and if so,
24 with which insurers;

25 (ii) registered repair shop annual revenue, expense and profit or loss;

26 (iii) the hourly labor rates accepted by registered repair shops from insurers and the
27 hourly labor rate charged to non-insured customers;

28 (iv) the number of cars repaired by repair shops;

29 (v) the average length of time damaged vehicles remain in registered repair shops being
30 repaired and in storage;

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32 (vi) the fees charged to insurers for storage;

33 (6) the laws governing the repair of damaged motor vehicles in relation to such laws in
34 other states, particularly with respect to their impact on the time taken to complete repairs, the
35 rental car times, and the hourly labor rates paid by insurers to registered motor vehicle repair
36 shops.

37 Repair shops and the top 10 automobile insurance companies shall provide information
38 requested by the commissioner deemed necessary for the completion of this investigation and
39 study.

40 The commissioner shall prepare a report containing his findings, analysis, conclusions
41 and recommendations for legislation, if any, based on such investigation and study. The
42 commissioner's report shall address, among other issues, ways and means for improving the
43 efficiency and cost effectiveness of the process of repairing damaged motor vehicles. The
44 commissioner shall file his report with the chairs of the Joint Committee on Financial Services
45 no later than December, 31, 2019.

46 SECTION 2. This act shall take effect on passage.