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By: **Delegates Impallaria, Conroy, Feldman, Fulton, Haddaway, Krebs, McDonough, McHale, Miller, Minnick, Moe, Parrott, Taylor, Trueschler, and Vaughn**

Introduced and read first time: February 13, 2004

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Auto Body Repair Facilities - Regulation**

3 FOR the purpose of authorizing the Insurance Commissioner to have authority over  
4 the business practices of certain auto body repair facilities; requiring an  
5 employee of certain facilities to provide certain policyholders with a certain  
6 notice; prohibiting the notice from being part of an estimate or other form;  
7 requiring the policyholder to sign the notice; requiring certain facilities to keep  
8 a copy of the notice with certain repair records; requiring certain facilities to  
9 post a certain notice; authorizing the Commissioner to adopt certain  
10 regulations; defining certain terms; and generally relating to the regulation of  
11 auto body repair facilities.

12 BY adding to  
13 Article - Insurance  
14 Section 27-914  
15 Annotated Code of Maryland  
16 (2002 Replacement Volume and 2003 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Insurance**

20 27-914.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
22 INDICATED.

23 (2) "FACILITY" MEANS AN AUTO BODY REPAIR FACILITY IN WHICH AN  
24 INSURER HAS A FINANCIAL INTEREST.

25 (3) TO HAVE A "FINANCIAL INTEREST" MEANS TO:

26 (I) BE PART OWNER OF A FACILITY; OR

1 (II) HAVE A FACILITY AS A SUBSIDIARY BUSINESS.

2 (4) "POLICYHOLDER" MEANS A POLICYHOLDER OF AN INSURER THAT  
3 HAS A FINANCIAL INTEREST IN AN AUTO BODY REPAIR FACILITY.

4 (B) THE COMMISSIONER, WITH RESPECT TO A FACILITY:

5 (1) SHALL HAVE AUTHORITY OVER THE BUSINESS PRACTICES OF THE  
6 FACILITY;

7 (2) SHALL ADOPT REGULATIONS REGARDING DAMAGE ESTIMATING  
8 PROCEDURES AND APPRAISAL GUIDELINES; AND

9 (3) MAY ADOPT ANY OTHER REGULATION THAT THE COMMISSIONER  
10 DETERMINES TO BE NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

11 (C) (1) IF A POLICYHOLDER SELECTS A FACILITY TO OBTAIN AN APPRAISAL  
12 FOR DAMAGES TO AN INSURED MOTOR VEHICLE OR TO HAVE AN INSURED MOTOR  
13 VEHICLE REPAIRED, AN EMPLOYEE OF THE FACILITY PROVIDING THE APPRAISAL OR  
14 REGISTERING THE INSURED MOTOR VEHICLE FOR REPAIR SHALL PROVIDE THE  
15 POLICYHOLDER WITH A WRITTEN NOTICE STATING THAT THE POLICYHOLDER IS  
16 NOT REQUIRED TO:

17 (I) OBTAIN AN APPRAISAL AT THE FACILITY; OR

18 (II) HAVE THE INSURED MOTOR VEHICLE REPAIRED AT THE  
19 FACILITY.

20 (2) THE NOTICE:

21 (I) MAY NOT BE PART OF AN ESTIMATE OR OTHER FORM; AND

22 (II) SHALL BE SIGNED BY THE POLICYHOLDER.

23 (3) A COPY OF THE SIGNED NOTICE SHALL BE KEPT WITH THE REPAIR  
24 RECORDS FOR THE INSURED MOTOR VEHICLE.

25 (D) A FACILITY SHALL HAVE PROMINENTLY DISPLAYED IN A LOCATION THAT  
26 IS OPEN TO THE PUBLIC AND AT WHICH THE FACILITY PROVIDES AUTO BODY REPAIR  
27 SERVICES A NOTICE THAT STATES:

28 (1) THE FACILITY IS PARTLY OWNED BY OR IS A SUBSIDIARY OF AN  
29 INSURER;

30 (2) THE NAME OF THE INSURER WITH A FINANCIAL INTEREST IN THE  
31 FACILITY;

32 (3) A POLICYHOLDER IS NOT REQUIRED TO OBTAIN AN APPRAISAL AT  
33 THE FACILITY; AND

1                   (4)     A POLICYHOLDER IS NOT REQUIRED TO HAVE THE INSURED MOTOR  
2 VEHICLE REPAIRED AT THE FACILITY.

3     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2004.