

SECOND REGULAR SESSION

HOUSE BILL NO. 1528

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LUETKEMEYER.

Read 1st time February 19, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4659L.011

AN ACT

To amend chapter 379, RSMo, by adding thereto one new section relating to automobile insurance.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 379, RSMo, is amended by adding thereto one new section, to be
2 known as section 379.903, to read as follows:

**379.903. 1. An insurer shall not require that a motor vehicle be repaired at a
2 specific automotive repair shop.**

**3 2. (1) An insurer shall not recommend that a motor vehicle be repaired at a specific
4 automotive repair shop unless:**

5 (a) A referral is expressly requested by the claimant; or

**6 (b) The claimant has been informed in writing of the right to select an automotive
7 repair shop.**

**8 (2) If a recommendation is accepted by the claimant, the insurer shall cause the
9 motor vehicle to be restored to its condition prior to the loss at no additional cost to the
10 claimant other than as stated in the policy or as is otherwise allowed by law. If the
11 recommendation of an automotive repair shop is made orally and if the oral
12 recommendation is accepted by the claimant, the insurer shall provide the following
13 statement to the claimant at the time the recommendation is made. The insurer shall also
14 send a written copy of the statement to the claimant within five calendar days from the oral
15 recommendation. The statement shall include the following plainly printed in no less than
16 ten-point type:**

**17 "WE ARE PROHIBITED BY LAW FROM REQUIRING THAT REPAIRS BE
18 DONE AT A SPECIFIC AUTOMOTIVE REPAIR SHOP. YOU ARE ENTITLED TO**

19 **SELECT THE AUTOMOTIVE REPAIR SHOP TO REPAIR DAMAGE COVERED BY**
20 **US. WE HAVE RECOMMENDED AN AUTOMOTIVE REPAIR SHOP THAT WILL**
21 **REPAIR YOUR DAMAGED VEHICLE. IF YOU AGREE TO USE OUR**
22 **RECOMMENDED AUTOMOTIVE REPAIR SHOP, WE WILL CAUSE THE**
23 **DAMAGED VEHICLE TO BE RESTORED TO ITS CONDITION PRIOR TO THE**
24 **LOSS AT NO ADDITIONAL COST TO YOU OTHER THAN AS STATED IN THE**
25 **INSURANCE POLICY OR AS OTHERWISE ALLOWED BY LAW. IF YOU**
26 **EXPERIENCE A PROBLEM WITH THE REPAIR OF YOUR VEHICLE, PLEASE**
27 **CONTACT US IMMEDIATELY."**

28 **3. Except as provided in paragraph (a) of subdivision (1) of subsection 2 of this**
29 **section, after the claimant has chosen an automotive repair shop, the insurer shall not**
30 **recommend that the claimant select a different automotive repair shop.**

31 **4. Any insurer that, by the insurance policy, suggests or recommends that a motor**
32 **vehicle be repaired at a particular automotive repair shop shall also:**

33 **(1) Prominently disclose the contractual provision in writing to the insured at the**
34 **time the insurance is applied for and at the time the claim is acknowledged by the insurer;**
35 **and**

36 **(2) If the claimant elects to have the motor vehicle repaired at the automotive repair**
37 **shop of his or her choice, the insurer shall not limit or discount the reasonable repair costs**
38 **based on charges that would have been incurred had the vehicle been repaired by the**
39 **insurer's chosen automotive repair shop.**

40 **5. For purposes of this section, "claimant" means an insured, first-party claimant,**
41 **or a third-party claimant who asserts a right of recovery for motor vehicle repair under**
42 **an insurance policy.**

43 **6. The director of insurance shall enforce this section and may promulgate rules**
44 **to implement this section. Any rule or portion of a rule, as that term is defined in section**
45 **536.010, RSMo, that is created under the authority delegated in this section shall become**
46 **effective only if it complies with and is subject to all of the provisions of chapter 536,**
47 **RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**
48 **nonseverable and if any of the powers vested with the general assembly pursuant to**
49 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**
50 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
51 **rule proposed or adopted after August 28, 2004, shall be invalid and void.**