

HOUSE No. 3680

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act RELATING TO AUTO GLASS INSURANCE CLAIMS AND THIRD PARTY BILLING..

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. Chapter 100A of the General Laws is hereby amended by adding the
2 following section:—

3 100A:11 Auto glass replacement and/or repair or rental and replacement vehicle
4 transactions and services; 3rd party billing limitations

5 Section 11. Notwithstanding any provisions of any general or special law to the contrary
6 no company which serves as a third party biller for a particular insurance company whether a
7 carrier or a producer may additionally provide auto glass replacement and/or repair services or
8 rental and replacement vehicle transactions and services for such insurance company. A third-
9 party biller shall be defined as any company who processes pays and monitors the payment of
10 auto glass claims on behalf of an insurance carrier or insurance producer. Such third-party biller
11 shall not be related to any glass replacement repair services in any way. This includes stock
12 ownership or such ownership by any direct family relative. Such third-party biller shall file with
13 the Office of the Insurance Commissioner statements of ownership every year on a prescribed

14 schedule or upon any material change in ownership. All third-party billers shall file with the
15 Office of the Insurance Commissioner all contracts held with specific insurance companies either
16 carriers or producers which delineate the provisions of the business relationship excluding the
17 amount of consideration provided for third-party billing services. The commissioner of the
18 division of insurance shall promulgate rules and regulations for the administration and
19 enforcement of this section. Each violation resulting in a failure to file either the statement of
20 ownership and/or agreements between insurance companies and third-party billers shall result in
21 a fine of \$5000.00 per incident. The fine shall be collected by the Division of Insurance and
22 deposited in a retained revenue account to be used by the division to carry out the enforcement of
23 this act. Furthermore the division of insurance shall create and make available forms for
24 reporting such violation of this section. An insurance company or third party biller for such
25 insurance company violating the first paragraph of this section shall be punishable by a fine of
26 \$1000.00 for each incident. The fine shall be collected by the Division of Insurance and
27 deposited in a retained revenue account to be used by the division to carry out the enforcement of
28 this act. Furthermore the division of insurance shall create and make available forms for
29 reporting such violation of this section.

30 SECTION 2. Chapter 100A of the General Laws is hereby amended by adding the
31 following section:—

32 100A:12

33 Auto glass replacement and/or repair or rental and replacement vehicle transactions and
34 services; restrictions

35 Section 12. Notwithstanding any provisions of any general or special law to the contrary
36 no insurance company third party biller agent or adjuster for such insurance company that issues
37 or renews in the commonwealth any policy of insurance covering in whole or in part any motor
38 vehicle may require that any person insured under said policy use a particular company or
39 location for the providing of auto glass replacement and/or repair services; provided that this
40 shall not prevent an insured from specifically requesting information about a particular auto glass
41 shop and its location. No such insurance company third party biller agent or adjuster for such
42 insurance company may engage in any act or practice of intimidation coercion threat or
43 inducement for or against any such insured person to use a particular company or location to
44 provide such services or products nor shall such insurance company producer, third party biller
45 agent, or adjuster provide for allow or facilitate telephonic claims information directly to
46 preferred automobile glass repair shops. The provisions of this section are applicable only to
47 auto glass repair shops registered under the provisions of chapter 100A. The commissioner of
48 the division of insurance shall promulgate rules and regulations for the administration and
49 enforcement of this section. An insurance company third party biller agent or adjuster for such
50 insurance company violating this section shall be punishable by a fine of not less than \$300.00
51 nor more than \$500.00 for each incident. The fine shall be collected by the Division of Insurance
52 and deposited in a retained revenue account to be used by the division to carry out the
53 enforcement of this act. Furthermore the division of insurance shall create and make available
54 forms for reporting such violation of this section. Any violations of this chapter are subject to the
55 provisions of chapter 93A.