

HOUSE No. 4197

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, April 25, 2016.

The committee on the Financial Services to whom were referred the petition (accompanied by bill, House, No. 805) of Antonio F. D. Cabral and Kate Hogan relative to the minimum hourly labor rate that insurers pay on insured claims for repairs made by registered motor vehicle repair shops, the petition (accompanied by bill, House, No. 883) of Louis L. Kafka and others for legislation to authorize the Commissioner of the Division of Insurance to set labor rates paid by insurance companies to auto repairers and the petition (accompanied by bill, House, No. 962) of Joseph F. Wagner and Susannah M. Whipps Lee for legislation to authorize the Commissioner of the Division of Insurance to set labor rates paid by insurance companies to auto repairers, reports recommending that the accompanying bill (House, No. 4197) ought to pass.

For the committee,

AARON MICHLEWITZ.

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**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act reforming labor rates paid by insurance companies to auto repairers in the Commonwealth.

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 inserting after
2 section 14 the following section:-

3 Section 15. The commissioner of insurance shall set the minimum hourly labor rate that
4 insurers shall pay on insured claims for repairs made by registered motor vehicle repair shops.
5 The rate shall be the minimum rate paid by insurers on all Massachusetts insured motor vehicle
6 damage claims and shall be the average of the hourly rates paid by insurers for motor vehicle
7 damage repairs in Connecticut, New York, New Hampshire, Rhode Island and Vermont In
8 determining the average of rates, the commissioner shall utilize data available from independent
9 collision repair estimating services. Upon setting the rate, the commissioner shall have the
10 discretion to adjust the hourly rate by not more than 3 per cent greater or 3 per cent less than said
11 average. The commissioner shall review the hourly labor rate once every 3 years to make
12 readjustments as necessary; provided, however, that the commissioner shall provide a report of

13 any proposed new rate to the joint committee on financial services 15 days before promulgation.
14 The commissioner shall adopt regulations for the administration and enforcement of this section.

15 SECTION 2. Section 113B of chapter 175 of the General Laws, as appearing in the 2010
16 Official Edition, is hereby amended by inserting, after the word “commissioner” in line 14, the
17 following:- ; provided, however, that collision repair hourly labor rates, set pursuant to section
18 15 of chapter 100A, shall not be included when considering programs to control costs and
19 expenses under this section or section 113H.

20 SECTION 3. Sections 1 and 2 of this act are hereby repealed.

21 SECTION 4. Section 3 of this act shall take effect August 1, 2024.