

SENATE No. 709

The Commonwealth of Massachusetts

PRESENTED BY:

Michael O. Moore

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 to establish minimum reimbursement rates to insurance claimants.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Michael O. Moore</i>	<i>Second Worcester</i>	
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>2/24/2021</i>
<i>Angelo L. D'Emilia</i>	<i>8th Plymouth</i>	<i>3/1/2021</i>
<i>Michael F. Rush</i>	<i>Norfolk and Suffolk</i>	<i>3/1/2021</i>
<i>Brendan P. Crighton</i>	<i>Third Essex</i>	<i>3/1/2021</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>3/3/2021</i>

SENATE No. 709

By Mr. Moore, a petition (accompanied by bill, Senate, No. 709) of Michael O. Moore, Brian W. Murray, Angelo L. D'Emilia, Michael F. Rush and other members of the General Court for legislation to establish minimum reimbursement rates to insurance claimants. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act to establish minimum reimbursement rates to insurance claimants.

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

1 Notwithstanding any specific or general laws to the contrary, the purpose of this bill is to
2 establish a set of minimum reimbursement rates for labor by insurers to claimants, for first or
3 third-party auto insurance claims in the Commonwealth. The newly calculated minimum
4 reimbursement rate to the claimant will be determined by identifying the rate at the time of the
5 Insurance Reform Act of 1988 adjusted to the rate of inflation to the time and promulgation of
6 this bill becoming law.

7 The newly established minimum reimbursement rates will be phased in over a two-year
8 correction period, which will begin within 30 days of promulgation of this law with an increase
9 of one half of the difference between current rates and the newly established rates. The
10 remaining half of the increase will follow at the end of the next twelfth month. This second
11 increase will include the rate of inflation for the previous twelve-month period.

At the end of the two-year correction period, the minimum reimbursement rates to claimants will be adjusted yearly based upon the CPI for All Urban Consumers (CPI-U) Not Seasonally Adjusted, Northeast Region as published by the US Bureau of Labor and Statistics.

Under no circumstances shall the reimbursement rate to the claimant be less than the aforementioned calculated amount. A negotiation above the minimum reimbursement rates set, for the benefit of the consumer, will be determined based on a set of criteria. The criteria for the negotiations shall be predicated upon, but not limited to the type of vehicle (standard, high end, heavy duty, commercial, and/or body composition materials) labor type (body, refinish, structural, frame, aluminum, mechanical or other), expertise, level of training, certifications, equipment and geographic area of the chosen registered repair shop. No insurer shall refuse to negotiate on the basis of their ability to obtain a price which they can secure from another licensed repair facility conveniently located to the claimant.

Further, insurers are prohibited, other than by the means outlined in current laws and regulations, from suggesting, insisting, or overtly steering a claimant to use any specific registered repair facility to repair their damaged vehicle.

The promulgation of this law setting a minimum reimbursement rate to the claimant shall not invalidate any of the requirements as set forth in the governing statutes including but not limited to section 8G of chapter 26 of the General Laws and the Code of Massachusetts Regulations; 211 CMR 123, 211 CMR 133 or 212 CMR 2.0.