

**HOUSE . . . . . No. 1118**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Edward R. Philips*

*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 relative to the calculation of labor rates paid by insurance companies to auto repairers in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Edward R. Philips</i>	<i>8th Norfolk</i>	<i>1/19/2023</i>
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	<i>3/6/2023</i>

**HOUSE . . . . . No. 1118**

By Representative Philips of Sharon, a petition (accompanied by bill, House, No. 1118) of Edward R. Philips and Jacob R. Oliveira relative to the calculation of labor rates paid by insurance companies to motor vehicle repair shops. Financial Services.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Third General Court  
(2023-2024)**

An Act relative to the calculation of 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, as appearing in the 2020 Official  
2 Edition, is hereby amended by inserting after 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. In  
5 determining the minimum rate paid by insurers on all Massachusetts insured motor vehicle  
6 damage claims, the compensation for the minimum hourly labor rate that insurers shall pay on  
7 insured claims for repairs made by registered motor vehicle repair shops shall be calculated by  
8 utilizing the method described in this section:

9 The compensation for the minimum hourly labor rate that insurers shall pay on insured  
10 claims for repairs made by registered motor vehicle repair shops shall be established by the  
11 repair shop submitting to the insurer 100 sequential customer-paid collision repair orders or 60

12 consecutive days of customer-paid collision repair orders, whichever is less, from which the  
13 repairer shall calculate the average customer paid hourly labor rate, which shall be declared the  
14 minimum hourly labor rate that the insurer will pay to the repairer. The minimum hourly labor  
15 rate shall go into effect 30 days following the declaration, subject to audit of the submitted  
16 collision repair orders by the insurer and a rebuttal of the declared rate. If the declared rate is  
17 rebutted, the insurer shall propose an adjustment of the minimum hourly labor rate based on the  
18 rebuttal not later than 30 days after submission. If the repairer does not agree with the minimum  
19 hourly labor rate proposed by the insurer, the repairer may file an action with the commissioner  
20 of insurance 30 days after receipt of the proposal by the insurer. In an action commenced under  
21 this section, the insurer shall have the burden of proving that the rate declared by the repairer was  
22 inaccurate or unreasonable.

23 SECTION 2. Section 113B of chapter 175 of the General Laws, as appearing in the 2020  
24 Official Edition, is hereby amended by inserting, after the word “commissioner” in line 14, the  
25 following:- “; provided, however, that collision repair hourly labor rates, set pursuant to section  
26 15 of chapter 100A, shall not be included when considering programs to control costs and  
27 expenses under this section or section 113H.”

28 SECTION 3. Within 90 days of the enactment of Section 1, the commissioner of the  
29 division of insurance shall promulgate regulations necessary to implement the provisions of  
30 Sections 1 and 2, inclusive.