

HOUSE No. 950

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral

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

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>1/20/2023</i>
<i>Alan Silvia</i>	<i>7th Bristol</i>	<i>1/26/2023</i>
<i>Christopher Hendricks</i>	<i>11th Bristol</i>	<i>1/26/2023</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	<i>2/1/2023</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>2/1/2023</i>
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	<i>3/3/2023</i>

HOUSE No. 950

By Representative Cabral of New Bedford, a petition (accompanied by bill, House, No. 950) of Antonio F. D. Cabral and others relative to auto body labor rates. Financial Services.

The Commonwealth of Massachusetts

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

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, as appearing in the 2020 Official
2 Edition, is hereby amended by inserting after section 14 the following section:

3 Section 15. There shall be, within the division of insurance, an auto body labor rate
4 advisory board to address any issues related to auto body labor rates. The advisory board shall
5 consist of: 1 member appointed by the commissioner of insurance; 3 members appointed by the
6 attorney general: 2 of whom shall be members from the auto repair industry from different
7 geographic regions of the commonwealth appointed by the Alliance of Automotive Service
8 Providers of Massachusetts, Inc., 1 of whom shall serve as co-chair; 1 member appointed by the
9 director of the division of standards; 3 members from the auto insurance industry appointed by
10 the Automobile Insurers Bureau of Massachusetts, 1 of whom shall serve as co-chair; 1 member
11 appointed by the Massachusetts State Automobile Dealers Association, Inc; and 4 members
12 appointed by the Governor, 1 of whom shall be from 77 of 113 vocational-technical schools, 2 of

13 whom shall be from a consumer advocacy group and 1 of whom shall be an economist with
14 expertise on the insurance industry. The members of the board shall be appointed for a term of 4
15 years. The advisory board shall meet not less than 2 times in a year. The advisory board shall be
16 responsible for creating, implementing, and overseeing a biennial survey. The survey should
17 compile data pertaining to contracted hourly labor rates, posted hourly labor rates and prevailing
18 hourly labor rates and any additional information the advisory board deems relevant. The
19 advisory board shall collect industry data including, but not limited to: (i) labor rates in
20 neighboring states, including Connecticut, New York, New Hampshire, Rhode Island and
21 Vermont; (ii) auto body shop costs; (iii) total labor costs; (iv) inflation data; (v) work force data;
22 (vi) vocational school trends; (vii) insurance premiums; and (viii) any additional information
23 deemed necessary by the advisory board. The results of the survey and the data collected shall be
24 reviewed and analyzed by the advisory board biennially and the board shall make a
25 recommendation for a fair and equitable labor rate. Biennially, not later than December 31, the
26 advisory board shall file a report of its findings, conclusions, and any recommendations with the
27 commissioner of the division of insurance, the attorney general's office, clerks of the senate and
28 house of representatives, the joint committee on financial services, and the senate and house
29 committees on ways and means.

30 Section 16. Not later an 30 days after receiving the biennial report from the auto body
31 labor rate advisory board under section 15, the commissioner of insurance shall set a minimum
32 hourly labor rate that insurers shall pay on insured claims for repairs made by registered motor
33 vehicle repair shops; provided, however, that the minimum hourly labor rate shall not be less
34 than \$55. The minimum hourly labor rate shall go into effect 30 days after it is set by the
35 commissioner.

36 SECTION 2. Section 113B of chapter 175 of the General Laws, as so appearing, is
37 hereby amended by inserting, after the word “commissioner” in line 14, the following: -

38 “; provided, however, that collision repair hourly labor rates, set pursuant to section 15 of
39 chapter 100A, shall not be included when considering programs to control costs and expenses
40 under this section or section 113H.”.

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