

SENATE No. 688

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 reforming auto body labor rates.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Michael O. Moore</i>	<i>Second Worcester</i>	
<i>Steven S. Howitt</i>	<i>4th Bristol</i>	<i>2/22/2023</i>
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	<i>3/8/2023</i>
<i>John F. Keenan</i>	<i>Norfolk and Plymouth</i>	<i>3/8/2023</i>

SENATE No. 688

By Mr. Moore, a petition (accompanied by bill, Senate, No. 688) of Michael O. Moore, Steven S. Howitt, Jacob R. Oliveira and John F. Keenan for legislation to reform auto body labor rates. Financial Services.

The Commonwealth of Massachusetts

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

An Act reforming auto body labor rates.

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 two sections:-

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; 1 member appointed by the
6 attorney general; 1 member appointed by the director of the division of insurance standards; 3
7 members from the auto insurance industry appointed by the Automobile Insurers Bureau of
8 Massachusetts, 1 of whom shall be chosen by the three members to serve as co-chair; 3 members
9 from the auto repair industry from different geographic regions of the Commonwealth appointed
10 by the Alliance of Automotive Service Providers of Massachusetts, Inc., 1 of whom shall be
11 chosen by the three members to serve as co-chair; 1 member appointed by the Massachusetts
12 State Automobile Dealers Association, Inc.; and 4 members appointed by the co-chairs, 1 of

whom shall be from vocational-technical schools, 2 of whom shall be from a consumer advocacy group and 1 of whom shall be an economist with expertise on the insurance industry.

The advisory board shall meet not less than 2 times per year. The advisory board shall be responsible for creating, implementing and overseeing an annual survey given to relevant auto body shops as determined by the advisory board. The survey should compile data pertaining to contracted hourly labor rates, posted hourly labor rates and prevailing hourly labor rates and any additional information the advisory board deems relevant. The advisory board shall collect industry data including, but not limited to: (i) labor rates in neighboring states; (ii) auto body shop costs; (iii) total labor costs; (iv) inflation data; (v) work force data; (vi) vocational school trends; (vii) insurance premiums; and (viii) any additional information as requested by the advisory board. The results of the survey and the data collected shall be reviewed and analyzed by the advisory board annually and the board shall make a recommendation for a fair and equitable labor rate.

Annually, not later than December 31, the advisory board shall file a report of its findings, conclusions and any recommendations with the clerk of the senate and house of representatives, the joint committee on financial services, the senate and house committees on ways and means and the division of insurance.

Section 16. Not more than 30 days after receiving the annual report from the auto body labor rate advisory board under section 15, the commissioner of insurance shall set a minimum hourly labor rate that insurers shall pay on insured claims for repairs made by registered motor 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.