HOUSE DOCKET, NO. 2518 FILED ON: 1/16/2025

HOUSE . . . . . No. 1260

The Commonwealth of Massachusetts

PRESENTED BY:

Paul McMurtry

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 establishing the fair calculation of labor rates paid by insurance companies to auto repairers in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Paul McMurtry	*11th Norfolk*	*1/16/2025*

HOUSE DOCKET, NO. 2518 FILED ON: 1/16/2025

HOUSE . . . . . No. 1260

By Representative McMurtry of Dedham, a petition (accompanied by bill, House, No. 1260) of Paul McMurtry for legislation to authorize the Commissioner of the Division of Insurance to set labor rates paid by insurance companies to auto repairers. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *1095* OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act establishing the fair 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:

SECTION 1. Chapter 100A of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by inserting after section 14 the following section:-

Section 15. The commissioner of insurance shall set the minimum hourly labor rate that insurers shall pay on insured claims for repairs made by registered motor vehicle repair shops.

In determining the minimum rate paid by insurers on all Massachusetts insured motor vehicle damage claims, the compensation for the minimum hourly labor rate that insurers shall pay on insured claims for repairs made by registered motor vehicle repair shops shall be calculated by utilizing the method described in this section.

The compensation for the minimum hourly labor rate that insurers shall pay on insured claims for repairs made by registered motor vehicle repair shops shall be established by the repair shop submitting to the insurer 100 sequential customer-paid collision repair orders or 60 consecutive days of customer-paid collision repair orders, whichever is less, from which the repairer shall calculate the average customer paid hourly labor rate, which shall be declared the minimum hourly labor rate that the insurer will pay to the repairer. The minimum hourly labor rate shall go into effect 30 days following the declaration, subject to audit of the submitted collision repair orders by the insurer and a rebuttal of the declared rate. If the declared rate is rebutted, the insurer shall propose an adjustment of the minimum hourly labor rate based on the rebuttal not later than 30 days after submission. If the repairer does not agree with the minimum hourly labor rate proposed by the insurer, the repairer may file an action with the commissioner of insurance 30 days after receipt of the proposal by the insurer. In an action commenced under this section, the insurer shall have the burden of proving that the rate declared by the repairer was inaccurate or unreasonable.

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

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