

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)

Proposed Model Act Regarding Insurer Auto-Body Steering

Note: The NCOIL Property-Casualty Insurance Committee, during the 2010 NCOIL Spring Meeting, voted to remove auto-body steering provisions from a proposed Model Act Regarding Motor Vehicle Crash Parts and Repair and create a separate model law on the issue.

To be considered by the NCOIL Property-Casualty Insurance Committee.

Section 1. Summary

This Act applies to personal lines motor vehicle insurance policies, provides for consumer choice in selection of an auto repair facility, and promotes accountability.

Section 2. Choice of Repair Facility¹

- A. Whenever a motor vehicle collision or comprehensive loss shall have been suffered by an insured, no insurer providing collision or comprehensive coverage therefore shall require that repairs be made to such vehicle in a particular place or by a particular concern.
- B. In processing any such claim, the insurer shall not, unless expressly requested by the insured, recommend or suggest repairs be made to such vehicle in a particular place or shop or by a particular concern.
- C. Insurers who engage in a pattern of violations of Section 2(A) and (B) will be subject to penalties under *[insert state] Unfair Trade Practices* law.

Section 3. Effective Date

This Act shall take effect on *[insert date]*, applying to personal lines motor vehicle insurance policies either written to be effective or renewed on or after nine (9) months from the effective date of the bill.

¹*Based on New York State insurance law, Section 2610.*