
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 780

Session of
1971

INTRODUCED BY TILGHMAN, HANKINS, STAPLETON, ROVNER, HOWARD,
HOBBS AND CIANFRANI, JUNE 1, 1971

REFERRED TO INSURANCE, JUNE 1, 1971

AN ACT

1 Concerning motor vehicle physical damage appraisers; providing
2 for the licensing of persons engaged in appraising physical
3 damages to motor vehicles; fixing fees and prescribing
4 unlawful acts and penalties.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short Title.--This act shall be known and may be
8 cited as the "Motor Vehicle Physical Damage Appraiser Act."

9 Section 2. Definitions.--As used in this act:

10 (1) "Appraiser" means any person who appraises motor vehicle
11 physical damage claims on behalf of any insurance company or
12 firm or corporation engaged in the adjustment or appraisal of
13 motor vehicle claims. "Appraiser" shall include (i) auto repair
14 shop personnel charged with preparing damage reports; (ii) new
15 car dealer personnel charged with preparing damage reports;
16 (iii) insurance company staff auto physical damage appraisers;
17 and (iv) independent auto physical damage appraisers.

18 (2) "Commissioner" means the Insurance Commissioner of the
19 Commonwealth of Pennsylvania.

1 (3) "Insurer" includes all companies, associations and
2 exchanges engaged in the insurance business of insurance and
3 self-insurers.

4 Section 3. Licenses; Examination; Fees.--(a) On or after
5 January 1, 1972, no person shall directly or indirectly act or
6 hold himself out as an appraiser unless such person has first
7 secured a license from the commissioner in accordance with the
8 provisions of this act.

9 (b) Except as otherwise provided in section 10 of this act,
10 no person shall be granted an appraiser's license unless he
11 shall first establish his qualifications therefor and shall take
12 and pass an examination for appraisers.

13 An applicant for such examination shall be at least twenty-
14 one years of age; shall be a resident of the Commonwealth of
15 Pennsylvania, or a resident of any other state or country which
16 permits residents of this Commonwealth to act as appraisers in
17 such other state or country; shall be trustworthy; and shall
18 otherwise establish to the satisfaction of the commissioner that
19 he has had experience or special education or training with
20 reference to the business of the appraising of physical damages
21 to motor vehicles of sufficient duration and extent reasonably
22 to make him competent to fulfill the responsibilities of an
23 appraiser.

24 Applications for an examination as appraiser shall be made to
25 the commissioner upon forms prescribed and furnished by him and
26 shall be accompanied by the proper fee. Applicants shall provide
27 the commissioner with such information concerning his identity
28 and personal history, and such other information as shall be
29 necessary to establish his qualifications to take the
30 examination.

(c) The commissioner shall prepare and make available to applicants a manual or instructions setting forth in general terms the subject matter to be covered in the examinations.

(d) The examination for licensure which shall be given under the supervision of the commissioner shall consist of a written examination that shall include the act of appraising one or more damaged motor vehicles and shall be supplemented by an oral examination. They shall be given at reasonable times and places within the Commonwealth. Any applicant who fails to pass such examination shall not be eligible to retake an examination for thirty days from the date of such failure.

(e) The fee to be paid to the commissioner by an applicant for an appraiser's license shall be twenty dollars (\$20) at the time the application is made and twenty dollars (\$20) annually for the renewal thereof. In the event of failure to pass the examination, the fee of twenty dollars (\$20) shall not be returnable.

(f) The commissioner shall prescribe the form of the appraiser's license and it shall contain:

- (1) The name of the appraiser.
- (2) The address of the appraiser's place of business.
- (3) Date of issuance and expiration date of license.
- (4) Any other information which the commissioner determines is necessary.

(g) The commissioner shall issue an appraiser's license to every person who applies therefor, pays the proper fee, passes the required examinations and otherwise is found by the commissioner to possess the necessary qualifications for licensure under this act.

Section 4. Expiration; Renewal of Licenses.--(a) An

1 appraiser's license shall expire on the first day of January
2 next following the date of issuance.

3 (b) Subject to the right of the commissioner to suspend,
4 revoke, or refuse to renew an appraiser's license, any such
5 license may be renewed for another like period by filing with
6 the commissioner on or before the expiration date a written
7 request, by or on behalf of the licensee, for such renewal,
8 accompanied by payment of the renewal fee.

9 (c) If the request and fee for renewal of license is filed
10 with the commissioner prior to the expiration of the existing
11 license, the licensee may continue to act under such license,
12 unless sooner revoked or suspended, until the issuance of
13 renewal license or until the expiration of five days after the
14 commissioner has refused to renew the license and has mailed
15 notice of such refusal to the licensee. Any request for renewal
16 not so filed until after date of expiration may be considered by
17 the commissioner as an application for a new license.

18 Section 5. Procedure for Refusal; Suspension or Revocation
19 of License.--(a) The commissioner shall revoke or refuse to
20 renew any such license of an appraiser immediately and without
21 hearing upon conviction of the licensee of a felony by final
22 judgment of any court of competent jurisdiction:

23 (1) By order given to the licensee not less than fifteen
24 days prior to the effective date thereof, subject to the right
25 of the licensee to a hearing before the commissioner, and
26 pending such hearing the license shall be suspended; or

27 (2) By an order on hearing effective as of ten days after
28 date of the giving of the order subject to the right of appeal.

29 (b) Every order suspending any such license shall specify
30 the period during which suspension will be effective, which

1 shall in no event exceed twelve months.

2 The holder of any license which has been revoked or suspended
3 shall surrender the license certificate to the commissioner at
4 his request.

5 (c) The commissioner shall not reinstate the license or
6 relicense any licensee or former licensee whose license has been
7 suspended, revoked or renewal refused while the cause for the
8 suspension, revocation or refusal of such license persists.

9 Section 6. Denial, Suspension, Revocation of License.--The
10 commissioner may suspend, revoke, or refuse to renew any
11 appraiser's license for any cause specified in any other
12 provision of this act, or for any of the following causes:

13 (1) For any cause for which issuance of the license could
14 have been refused had it been existent and been known to the
15 commissioner.

16 (2) If the licensee wilfully violates or knowingly
17 participates in the violation of any provision of this act.

18 (3) If the licensee has obtained or attempted to obtain any
19 such license through wilful misrepresentation or fraud, or has
20 failed to pass any examination required under this act.

21 (4) If the licensee has, with intent to deceive, materially
22 misrepresented the terms or effect of any insurance contract; or
23 has engaged or is about to engage in any fraudulent transaction.

24 (5) If the licensee has been convicted, by final judgment,
25 of a felony.

26 (6) If in the conduct of his affairs under the license, the
27 licensee has shown himself to be, and is so deemed by the
28 commissioner, incompetent, or untrustworthy, or a source of
29 injury and loss to the public.

30 Section 7. Place of Business.--Every licensed appraiser

1 shall have and maintain in this State a place of business
2 accessible to the public. Such place of business shall be that
3 wherein the appraiser principally conducts transactions under
4 his license. The address of his place of business shall appear
5 on the license, and the licensee shall promptly notify the
6 commissioner of any change thereof.

7 Section 8. Notice; Hearing; Appeals.--Except as otherwise
8 herein provided all actions of the commissioner shall be taken
9 subject to the right of notice, hearing and adjudication, and
10 the right to appeal therefrom as provided by law.

11 Section 9. License Without Examination; Application.--Upon
12 the payment of a fee of twenty dollars (\$20) any person who has
13 been employed or engaged for a period of not less than four
14 years prior to the submission of such application in the
15 appraising of physical damages to motor vehicles and is
16 currently so engaged shall be licensed without examination as an
17 appraiser if the application is made on or before January 1,
18 1972 and the applicant possesses the qualifications required of
19 applicants as provided in section 3 of this act.

20 Section 10. Penalties.--Any person who violates any of the
21 provisions of this act is guilty of a misdemeanor and upon
22 conviction thereof, for each offense, shall be sentenced to pay
23 a fine not exceeding five hundred dollars (\$500), or to undergo
24 imprisonment not exceeding one year, or both.

25 Section 11. Rules and Regulations.--(a) The Insurance
26 Commissioner is hereby charged with the administration and
27 enforcement of this act and is hereby authorized and empowered
28 to prescribe, adopt and promulgate rules and regulations in
29 connection therewith.

30 (b) All persons subject to this act:

1 (1) Must be reexamined in accordance with the original
2 qualifying examinations every fifth year following the issuance
3 of the original license.

4 (2) Must refrain from requesting, suggesting or recommending
5 that repairs to a motor vehicle be made in a specified repair
6 facility.

7 (3) Must leave a legible, detailed and itemized copy of his
8 appraisal with the repair shop selected by the consumer to make
9 the repairs; such appraisal shall contain the name of the
10 interested parties requesting same, the name and license number
11 of the appraiser, identification of the vehicle involved and
12 notations made to indicate old and/or unrelated damage.

13 (4) Must make appraisals from physical damage only and not
14 use photographs for the basis of an appraisal.

15 (5) Must refrain from obtaining an agreed price or
16 competitive appraisals by the use of photographs, telephone
17 calls or in any manner other than a physical inspection of the
18 motor vehicle.

19 (6) Shall (i) conduct himself in such a manner as to inspire
20 public confidence by fair and honorable dealings; (ii) approach
21 the appraisal of damaged property without prejudice against, or
22 favoritism toward, any party involved in order to make fair and
23 impartial appraisals; (iii) disregard any efforts on the part of
24 others to influence his judgment in the interest of the parties
25 involved; (iv) prepare an independent appraisal of damage.

26 (7) Shall not (i) receive directly or indirectly any
27 gratuity or other consideration in connection with his appraisal
28 services from any person except his employer or, if self-
29 employed, his customer; (ii) traffic in automobile salvage if
30 such salvage is obtained in any way as a result of appraisal

1 services rendered by him.

2 Section 12. Effective Date.--This act shall take effect

3 immediately.