

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 780

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

AS AMENDED ON THIRD CONSIDERATION, JUNE 6, 1972

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 a motor vehicle physical damage
11 appraiser. This shall include all persons in this State who
12 practice the appraisal of motor vehicle physical damage.

13 (2) "Commissioner" means the Insurance Commissioner of the
14 Commonwealth of Pennsylvania.

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

18 Section 3. Licenses; Examination; Fees.--(a) ~~On or after~~
19 ~~January 1, 1972, no~~ NO person shall directly or indirectly act

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1 or hold himself out as an appraiser unless such person has first
2 secured a license from the commissioner in accordance with the
3 provisions of this act.

4 (b) Except as otherwise provided in section ~~10~~ 8 of this <—
5 act, no person shall be granted an appraiser's license unless he
6 shall first establish his qualifications therefor and shall take
7 and pass an examination for appraisers.

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

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

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

29 (d) The examination for licensure which shall be given under
30 the supervision of the commissioner shall consist of a written

1 examination that shall include the act of appraising one or more
2 damaged motor vehicles and shall be supplemented by an oral
3 examination. They shall be given at reasonable times and places
4 within the Commonwealth. Any applicant who fails to pass such
5 examination shall not be eligible to retake an examination for
6 thirty days from the date of such failure.

7 (e) The fee to be paid to the commissioner by an applicant
8 for an appraiser's license shall be ten dollars (\$10) at the
9 time the application is made and ten dollars (\$10) annually for
10 the renewal thereof. In the event of failure to pass the
11 examination, the fee of ten dollars (\$10) shall not be
12 returnable.

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

15 (1) The name of the appraiser.

16 (2) The address of the appraiser's place of business.

17 (3) Date of issuance and expiration date of license.

18 (4) Any other information which the commissioner determines
19 is necessary.

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

25 Section 4. Expiration; Renewal of Licenses.--(a) An
26 appraiser's license shall expire on the first day of January
27 next following the date of issuance.

28 (b) Subject to the right of the commissioner to suspend,
29 revoke, or refuse to renew an appraiser's license, any such
30 license may be renewed for another like period by filing with

1 the commissioner on or before the expiration date a written
2 request, by or on behalf of the licensee, for such renewal,
3 accompanied by payment of the renewal fee.

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

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

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

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

24 (b) Every order suspending any such license shall specify
25 the period during which suspension will be effective, which
26 shall in no event exceed twelve months.

27 The holder of any license which has been revoked or suspended
28 shall surrender the license certificate to the commissioner at
29 his request.

30 (c) The commissioner shall not reinstate the license or

1 relicense any licensee or former licensee whose license has been
2 suspended, revoked or renewal refused while the cause for the
3 suspension, revocation or refusal of such license persists.

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

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

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

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

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

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

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

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

29 Section 8. License Without Examination; Application.--Upon
30 the payment of a fee of ten dollars (\$10) any person who has

1 been employed or engaged for a period of not less than two years
2 prior to the submission of such application in the appraising of
3 physical damages to motor vehicles and is currently so engaged
4 shall be licensed without examination as an appraiser if the
5 application is made on or before January 1, ~~1972~~ 1973 and the <—
6 applicant possesses the qualifications required of applicants as
7 provided in section 3 of this act.

8 Section 9. Penalties.--Any person who violates any of the
9 provisions of this act is guilty of a misdemeanor and upon
10 conviction thereof, for each offense, shall be sentenced to pay
11 a fine not exceeding five hundred dollars (\$500), or to undergo
12 imprisonment not exceeding one year, or both.

13 Section 10. Rules and Regulations.--(a) The Insurance
14 Commissioner is hereby charged with the administration and
15 enforcement of this act and shall prescribe, adopt and
16 promulgate rules and regulations in connection therewith.

17 (b) Each appraiser, while engaged in appraisal duties, shall
18 carry the license issued to him by the Insurance Department and
19 shall display it, upon request, to an owner whose vehicle is
20 being inspected, to the repair shop representative involved or
21 to any authorized representative of the Insurance Department.

22 (c) The appraiser shall exchange a legible copy of his
23 appraisal with that of the repair shop selected to make the
24 repairs and also furnish a copy to the owner of the vehicle.
25 This appraisal shall contain the name of the insurance company
26 ordering it, if any, the insurance file number, the number of
27 the appraiser's license and the proper identification number of
28 the vehicle being inspected. All unrelated or old damage should
29 be clearly indicated on the appraisal which shall include an
30 itemized listing of all damages, specifying those parts to be

1 replaced or repaired. Because an appraiser is charged with a
2 high degree of regard for the public safety, the operational
3 safety of the vehicle shall be paramount in considering the
4 specification of new parts. This consideration is vitally
5 important where the parts involved pertain to the drive train,
6 steering gear, suspension units, brake system or tires.

7 (d) No appraiser shall secure or use repair estimates that
8 have been obtained by the use of photographs, telephone calls or
9 in any manner other than a personal inspection.

10 (e) No appraiser or his employer shall require that repairs
11 be made in a specified repair shop.

12 (f) Every appraiser shall promptly reinspect damaged
13 vehicles prior to the repairs in question when supplementary
14 allowances are requested by repair shops and the amount or
15 extent of damages is in dispute.

16 (g) Every appraiser shall:

17 (1) Conduct himself in such a manner as to inspire public
18 confidence by fair and honorable dealings.

19 (2) Approach the appraisal of damaged property without
20 prejudice against, or favoritism toward, any party involved in
21 order to make fair and impartial appraisals.

22 (3) Disregard any efforts on the part of others to influence
23 his judgement in the interest of the parties involved.

24 (4) Prepare an independent appraisal of damage.

25 (5) Inspect a vehicle within six working days of assignment
26 to the appraiser unless intervening circumstances (i.e.
27 catastrophe, death, failure of the parties to cooperate) render
28 such inspection impossible.

29 (h) No appraiser shall:

30 (1) Receive directly or indirectly any gratuity or other

1 consideration in connection with his appraisal services from any
2 person except his employer or, if self-employed, his customer.

3 (2) Traffic in automobile salvage if such salvage is
4 obtained in any way as a result of appraisal services rendered
5 by him for his own benefit.

6 Section 11. Legislative Intent.--It is not contemplated that
7 this act shall apply where no appraisal has been assigned.

8 Recognition is given to the fact that many minor damage claims
9 do not require a formal appraisal and to require such would be
10 an undue burden upon the parties involved.

11 Section 12. Effective Date.--This act shall take effect
12 ~~immediately.~~ JANUARY 1, 1973.

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