

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2494

Session of
1992

INTRODUCED BY MURPHY, GAMBLE, COWELL, COLAIZZO, HARPER,
CAPPABIANCA, GIGLIOTTI, SALOOM, OLASZ, TRELLO, TIGUE,
CALTAGIRONE, D. R. WRIGHT, McHALE, STABACK, KUKOVICH, CLARK,
DeLUCA, E. Z. TAYLOR, VEON, MELIO, TANGRETTI, BILLOW, TRICH,
RICHARDSON, ITKIN, LANGTRY, BUTKOVITZ, BELARDI, PETRONE,
SURRA, DERMODY, KAISER, GEORGE, FEE, FREIND AND CORNELL,
MARCH 16, 1992

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, NOVEMBER 16, 1992

AN ACT

1 Amending the act of July 22, 1974 (P.L.589, No.205), entitled
2 "An act relating to unfair insurance practices; prohibiting
3 unfair methods of competition and unfair or deceptive acts
4 and practices; and prescribing remedies and penalties,"
5 providing for consumers' rights to choose who shall make
6 repairs to damaged vehicles.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of July 22, 1974 (P.L.589, No.205), known
10 as the Unfair Insurance Practices Act, is amended by adding a
11 section to read:

12 Section 5.1. Consumers' Right to Choose.--(a) No insurer
13 providing collision or comprehensive coverage, and no agent or
14 adjuster for an insurer, shall require that repairs be made to a
15 motor vehicle, including window glass repairs or replacement, in
16 a particular place or shop or by a particular company.

17 (b) No insurer, agent or adjuster for an insurer shall

1 recommend the use of a particular place or shop or by a
2 particular company for the repair of a motor vehicle or the
3 repair or replacement of motor vehicle window glass without
4 clearly informing the claimant that the claimant is under no
5 obligation to use the recommended repair or replacement service.
6 Any insurer providing a policyholder with a list of places,
7 shops or entities that repair motor vehicles or that repair or
8 replace motor vehicle window glass also shall provide an oral
9 and a written statement specifying that the selection of the
10 entity to perform the repair or replacement is within the
11 discretion of the insured, that the insured may select an entity
12 that is not on the list and that the selection does not affect
13 the obligation of the insurer to promptly pay for the cost of
14 the repair or replacement under the terms of the policy. The <—
15 ~~insurer shall have the obligation to pay for the lowest of three~~
16 ~~responsible estimates.~~, PROVIDED THAT THE INSURER SHALL BE UNDER <—
17 NO OBLIGATION TO PAY MORE THAN THE PREVAILING MARKET PRICE
18 CHARGED BY OTHER MOTOR VEHICLE REPAIR OR WINDOW GLASS COMPANIES
19 OR LOCATIONS PROVIDING COMPARABLE SERVICES OR PRODUCTS IN THE
20 SAME GEOGRAPHIC AREA.

21 (c) No insurer, agent or adjuster shall engage in any act of
22 intimidation, coercion, threat, incentive or inducement for or
23 against any insured person to use a particular company or
24 location to provide repair service or replacement service.

25 ~~(d) Every insurance company that issues or renews any policy~~ <—
26 ~~of insurance covering motor vehicles in this Commonwealth shall~~
27 ~~provide both oral and written disclosure, both at the time of~~
28 ~~purchase of the insurance policy and at the time of any claim,~~
29 ~~to the insured that any motor vehicle repair shop or automobile~~
30 ~~glass repair or replacement company or location may be used at~~

1 ~~the insured person's sole and absolute discretion and that such~~
2 ~~insurance company will promptly pay for the cost of the~~
3 ~~automobile repair or of the automobile glass replacement or~~
4 ~~repair services or products, less only any applicable deductible~~
5 ~~amount payable according to the terms of the insurance policy.~~
6 ~~The insurer shall have the obligation to pay for the lowest of~~
7 ~~three responsible estimates.~~

8 Section 2. This act shall take effect immediately.