

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2123 Session of
1988

INTRODUCED BY O'DONNELL, JANUARY 27, 1988

REFERRED TO COMMITTEE ON INSURANCE, JANUARY 27, 1988

AN ACT

1 Providing for collision and comprehensive services by preferred
2 providers for payment by automobile insurers; and making
3 repeals.

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

6 Section 1. Definitions.

7 The following words and phrases when used in this act shall
8 have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 "Department." The Insurance Department of the Commonwealth.

11 "Insurer." A company or association authorized to issue
12 private passenger automobile insurance policies within this
13 Commonwealth.

14 "Preferred provider." A business which has entered into an
15 agreement with an insurer for the provision of collision or
16 comprehensive services for its insureds at favorable rates of
17 reimbursement.

18 Section 2. Requirement.

1 An insurer shall make available collision and comprehensive
2 services by a preferred provider.

3 Section 3. Plan.

4 Every insurer shall submit to the department for its approval
5 a plan that shall include:

6 (1) The selection of an adequate number of preferred
7 providers for the prompt provision of collision and
8 comprehensive repair services in locations that are
9 geographically convenient for its insureds.

10 (2) Procedures for the provision of collision and
11 comprehensive repairs if the insured is in an accident in a
12 location in which there are no preferred providers.

13 (3) Periodic review of the quality and service of the
14 repairs provided by the preferred provider.

15 (4) Procedures for insureds to contest the quality of
16 repairs and have any deficiencies corrected.

17 (5) Substantial reductions in premiums for insureds
18 agreeing to use a preferred provider for collision and
19 comprehensive repairs based on the negotiated reduction in
20 costs of the preferred provider.

21 Section 4. Repeals.

22 (a) Inconsistent.--The act of December 29, 1972 (P.L.1713,
23 No.367), known as the Motor Vehicle Physical Damage Appraiser
24 Act, is repealed to the extent that it is inconsistent with this
25 act.

26 (b) General.--All other acts and parts of acts are repealed
27 insofar as they are inconsistent with this act.

28 Section 5. Effective date.

29 This act shall take effect in 60 days.