

HOUSE No. 4550

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, December 20, 2012.

The committee on Ways and Means, to whom was referred the Bill reforming labor rates paid by insurance companies to auto repairers in the Commonwealth (House, No. 4218), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4550).

For the committee,

BRIAN S. DEMPSEY.

The Commonwealth of Massachusetts

In the Year Two Thousand Twelve

An Act reforming labor rates paid by insurance companies to auto repairers in the Commonwealth.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 100A of the General Laws is hereby amended by inserting after section 14
2 the following section:-

3 Section 15. The commissioner of insurance shall set the minimum hourly labor rate that insurers
4 shall pay on insured claims for repairs made by registered motor vehicle repair shops. The rate
5 shall be the minimum rate paid by insurers on all Massachusetts insured motor vehicle damage
6 claims and shall be the average of the hourly rates paid by insurers for motor vehicle damage
7 repairs in Connecticut, Maine, New Hampshire, Rhode Island and Vermont. In determining the
8 average of rates, the commissioner shall utilize data available from independent collision repair
9 estimating services. Upon setting the rate, the commissioner shall have the discretion to adjust
10 the hourly rate by not more than 3 per cent greater or 3 per cent less than said average. The
11 commissioner shall review the hourly labor rate once every 3 years to make readjustments as
12 necessary; provided, however, that the commissioner shall provide a report of any proposed new

13 rate to the joint committee on financial services 15 days before promulgation. The commissioner
14 shall adopt regulations for the administration and enforcement of this section.

15 SECTION 2. Section 113B of chapter 175 of the General Laws, as appearing in the 2010
16 Official Edition, is hereby amended by inserting, after the word “commissioner” in line 14, the
17 following:- ; provided, however, that collision repair hourly labor rates, set pursuant to section
18 15 of chapter 100A, shall not be included when considering programs to control costs and
19 expenses under this section or section 113H.