BULLETIN 94-03

TO: All Companies Writing Personal Automobile Insurance in Massachusetts

FROM: Linda L. Ruthardt, Commissioner of Insurance

SUBJECT: 211 CMR 123.06

DATE: April 15, 1994

The following bulletin (94-03) contains guidance for insurers as they produce written information necessary to comply with the requirements of the above referenced regulation, especially as it relates to the provision of a list of referral and registered auto body shops.

It also contains suggested language to accompany such list(s) which should assist the insured in deciding which of several possible actions the insured may take.

1. The "list" shall contain both referral and registered shops. As long as the list provided initially when responding to the claim contains both the referral and registered shops located in the county in which the vehicle is garaged and a notice that similar lists for other counties in Massachusetts are available upon request, the division will find that the requirement of 123.06 (2) (a) to provide "a single list " are being met.

2. The "insurers list" as referred to in the regulation is intended to mean the list of the referral shops indicated on the list required to be provided by the preceding point (1) of this bulletin.

3. Attachment A contains suggested language to accompany the list being mailed to the insured who has made claim which seeks to explain the insured's options as regards having or not having repairs made and the difference between using a referral shop versus a registered shop.

4. Attachment B contains sample language and format for a list of referral and registered shops..

Carriers who wish to use alternative language should assure that it communicates the same information and is written so as to understandable by an insured having an 8th grade reading level.

ATTACHMENT A

AUTO DAMAGED ? HERE ARE YOUR OPTIONS !

Enclosed is our appraisal for the cost of repairing your auto and a list of every registered auto body repair shop in your county. We have either enclosed our payment check or we will send it within 5 business days.

If you intend to repair your damaged auto, you may select one of the following options:

1. You may choose a referral shop from the enclosed list. If you do, we will guarantee the materials and workmanship of the repair and the cost to you will usually not exceed our payment plus the amount of your deductible. You are responsible for any costs resulting from the use of parts that are of better quality than the parts that were on your auto at the time of the accident. (Referred to as a betterment or depreciation on the appraisal.)

OR

2. You may choose any other registered auto repair shop from the enclosed list. We do not guarantee the quality of repairs at other shops, but a registered shop has posted a bond for the protection of its judgment creditors and may provide you with its own warranty. If the shop charges you more than our payment plus the amount of your deductible for the repairs, we will negotiate with that registered repair shop, but we cannot promise that we will pay the difference. You are responsible for any costs resulting from the use of parts that are of better quality than the parts that were on your auto at the time of the accident. (Referred to as a betterment or depreciation on the appraisal.)

OR

3. You may choose not to participate in our Direct Payment/Referral Plan by returning the check to us and then have your auto repaired in accordance with the Completed Work Claim Form procedure. Please see your auto policy for details.

If you do not intend to repair your damaged auto:

- You may choose to cash our check and not repair your auto. In this case, we will reduce the actual cash value of your auto by the amount of our check plus the amount of your deductible. If you later give us proof of proper repair, the actual cash value will be increased. We have a right to inspect all repairs.

If you or your chosen repair shop dispute the accuracy of the appraisal or our payment to you, the following applies to you, referral shops and other registered repair shops:

- You or the repair shop must notify us by telephone or in writing if the cost of repair is expected to exceed our payment plus the amount of your deductible. The notice must be received by us prior to the completion of repairs; otherwise, the additional cost may not be paid. We will evaluate the request and either authorize or deny any supplemental payment. You must allow us to inspect your auto.

Sometimes there may be a disagreement as to the amount of money we owe for losses or damage to your auto. If so, Massachusetts General Laws, Section 191A of Chapter 175, provides for a method of settling the disagreement. Either you or we can, within 60 days after you file your proof of loss, demand in writing that appraisers be selected. The appraisers then follow a procedure set by law to establish the amount of damage. Their decision will be binding on you and us. You and we must share the cost of the appraisal.

Name of Insurance Company

Massachusetts
Direct Payment/Referral Shop Program
Registered Auto Repair Shops for
Barnstable, Dukes, Nantucket, and Plymouth Counties

* * * * * * * * * NOTICE * * * * * * * * *

This list contains the name of every registered auto body repair shop in your county. Massachusetts law requires that all repair shops be registered. An insurance company cannot pay for any repair work done by an illegal unregistered shop.

We have underlined "Referral Shops" on the list. A Referral Shop has an agreement with us to perform the repair work listed on our appraisal for the amount we pay you plus that part of the damage for which you are responsible (your deductible). We will guarantee the quality of repairs done by a Referral Shop. You are not required to use a Referral Shop. You may go to any repair shop on this list. We will negotiate with that registered repair shop, but we cannot promise that we will pay the difference between our check plus your deductible and the amount the shop charges to repair your auto. We do not guarantee the quality of repairs at other shops, but a registered shop has posted a bond for the protection of its judgment creditors and may provide you with its own warranty.

We will give you the list of registered repair shops in other counties at your request.

List as of _____, 1994

SUFFOLK COUNTY

ALLSTON

ADVENT GLASS CO., INC.	100 WINDOM STREET
ALFA AUTO BODY	100 WINDOM STREET
BOSTON MAZDA	201 CAMBRIDGE STREET
** BOSTON VILLAGE AUTO BODY & REPAIRS*	160 GARDNER STREET
COLUMBIA AUTO PAINTING CO., INC.	22 BRIGHTON AVENUE
DAVE'S AUTO BODY SERVICE, INC.	420 CAMBRIDGE STREET
GLENVILLE AUTO BODY AND REPAIRS, INC.	10 GLENVILLE TERRACE
J. D. AUTO BODY	28 EVERETT STREET
LIBON MOTORS, INC.	168 WESTERN AVENUE
MECCA MOTORS	30 PENNIMAN ROAD
MICHAEL J. HYNES AUTO REPAIR	10 REDFORD STREET
MOTORSPORT GARAGE, LTD.	410 CAMBRIDGE STREET
NINO'S AUTO BODY, INC.	95 EVERETT STREET
SO-LO GLASS COMPANY	383 CAMBRIDGE STREET
** SPORT AUTO BODY, INC*	100 WINDOM STREET
THE BODY WORKS, INC.	100 WINDOM STRET
THE VILLAGE GLASSMITH	280 LINCOLN STREET
TOYOTA OF BOSTON, INC.	32 BRIGHTON AVENUE

BOSTON

AIR-TIGHT AUTO GLASS	14 MINER STREET
ALLIANCE AUTO GLASS SERVICE, INC.	902 DORCHESTER AVENUE
AUTO GLASS, INC.	601 ALBANY STREET
BACK BAY JEEP-EAGLE / BACK BAY MOTORS	750 COMMONWEALTH AVE
** BOSTON BODY WORKS, INC.*	839 ALBANY STREET
BOSTON WYNSHIELD CORP.	15 FISH PIER ROAD
BOYLSTON AUTO BODY, INC.	16 MINER STREET
CONTINENTAL AUTO BODY	1176 MASS AVE
CROSSING AUTO BODY CO., INC.	30 TERRACE STREET
GENEVA AUTO BODY, INC.	14 MINER STREET
M & L AUTO BODY, INC.	589 ALBANY STREET
MAACO AUTO PAINTING & BODYWORKS	450 ALBANY STREET
MASS GLASS CORP.	163 OLD COLONY AVENUE
MIDDLESEX TRUCK & AUTO BODY, INC.	65 GERARD STREET
NEPONSET CIRCLE AUTO BODY, INC.	25 HALLET STREET
WORLD AUTO BODY, INC.	880 R COMMONWEALTH

BRIGHTON

A. NICOLAI, INC.	1686 R COMMONWEALTH
A.T.S. OF AMERICA, INC.	449 WESTERN AVENUE
EMERALD AUTO GLASS	569A WASHINGTON ST
HARRY'S FOREIGN & AMERICAN AUTO SERVICE	19 ACADEMY HILL ROAD
J & K AUTO BODY, INC.	586 WASHINGTON STREET
J.N. PHILLIPS CO., INC.	123 NORTH BEACON ST
STADIUM AUTO BODY, INC.	305 WESTERN AVENUE
STANLEY'S AUTO BODY	500 WESTERN AVENUE

CHELSEA

EASTERN AVENUE AUTO BODY	481 EASTERN AVENUE
GIANT GLASS CO., INC.	950 BROADWAY
J & J SPECIALTY GLASS, INC.	923 BROADWAY
J.N. PHILLIPS CO., INC.	216 CARTER STREET

DORCHESTER

A.R. SHURIS & SONS, INC.	1245 DORCHESTER AVE
ACE AUTO BODY SERVICE	35 TENEAN STREET
ADAMS GLASS COMPANY	907 ADAMS STREET
AMERICAN AUTO GLASS, INC.	1748 DORCHESTER AVE
ATLANTIC AUTO SALES & SERVICE, INC.	1676 DORCHESTER AVE
BOSTON GLASS & BOARDING SERVICE, INC.	1068 DORCHESTER AVE
BOSTON GLASS & BOARDING SERVICE, INC.	551 WASHINGTON STREET
CENTRE MOTOR SERVICE CO., INC.	256 HANCOCK STREET
CHEVY AUTO BODY, INC.	80 CHRISTOPHER STREET
CITYWIDE AUTO GLASS OF BOSTON	1311 DORCHESTER AVE
COLUMBIA PONTIAC TOYOTA COMPANY	150 FREEPORT STREET
COSMOS AUTO SALES, INC.	187 NEW ENGLAND AVE
** CROSSTOWN AUTO BODY, INC.*	645 DUDLEY STREET
DORCHESTER UNIVERSAL AUTO BODY	37 FREEPORT STREET
EAST COAST FENELON'S AUTO BODY	1676 DORCHESTER AVE
FITZPATRICK BROTHERS CORPORATION	42 SHARP ST.
GLASS MEDIC CO.	619 COLUMBIA ROAD
HICKS AUTO BODY, INC.	10 TALBOT AVENUE
J.N. PHILLIPS CO., INC.	614 GALLIVAN BLVD
MASS MOTORS, INC.	209 BOSTON STREET
METRO AUTO GLASS, INC.	310 NEPONSET AVENUE
NATIONWIDE PLATE & AUTO GLASS SERVICE CO	54 ST. MARKS ROAD
NEPONSET LINCOLN MERCURY, INC.	40 HALLET STREET
NORFOLK AUTO BODY & REPAIR	360 NORFOLK STREET
PAL'S AUTO BODY & REPAIR, INC.	379 BOWDOIN STREET
PETER'S AUTO BODY, INC.	15 FREEPORT WAY
RAINBOW AUTO BODY, INC.	1860 DORCHESTER AVE
REVITALIZED AUTO RECONDITIONING	209 BOSTON STREET
** SUSI AUTO BODY, INC.*	53 FREEPORT STREET
TOM'S AUTO BODY & GLASS, INC.	286 ADAMS STREET
WESTMINSTER DODGE, INC.	710-720 MORRISEY BLVD

EAST BOSTON

A & M AUTO BODY	10-16 EVERETT STREET
ALONGI & SON AUTO BODY, INC.	404 BREMEN STREET
** ANGELO'S AUTO BODY*	233 CONDOR STREET
BEN'S AUTO BODY & REPAIRING	10-16 EVERETT STREET
BOSTON ADVANCED AUTOMOTIVE, INC.	215 LONDON STREET
DESI'S AUTO BODY, INC.	200 MCCLELLAN HIGHWAY
FUTURE AUTOMOTIVE INC.	31 ORLEANS STREET

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PRISCILLA H. DOUGLAS
SECRETARY
LINDA RUTHARDT
COMMISSIONER

April 15, 1994

Michael B. Meyer, Esq.
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Re: Implementation of 211 CMR 123.00.

Dear Mr. Meyer:

Upon further review of the file in the matter of implementing the duly promulgated revisions to 211 CMR 123.00, Direct Payment of Motor Vehicle Collision and Comprehensive Coverage Claims and Referral Repair Shop Programs, it is my determination that the current stay may be and is hereby lifted effective Friday, April 15, 1994, to be implemented for all claims received on or after May 1, 1994. The outstanding issues that have been the subject of repeated negotiations between the Division of Insurance, the Automobile Insurers Bureau (AIB) and the Massachusetts Auto Body Association (MABA) appear to involve interpretation of the regulations's provisions, with particular reference to what list an insurer is required to provide to insured claimants.

It is my intent to clarify the regulation in this area by an interpretive bulletin, a copy of which is appended hereto. In essence, the interpretive bulletin will indicate that providing the insured with a list of referral and registered shops in the county in which the vehicle is garaged and a notice that such a list for any additional counties will be provided upon request will meet the requirements of the regulation. Additionally, insurers may indicate referral shops by asterisk, underlining, boldface type and/or any other similar way. Samples of recommended acceptable consumer information which reflects the negotiations of the AIB and MABA will be included for guidance.

I would like to thank you and the Automobile Insurers Bureau for your anticipated cooperation in implementing the regulation pursuant to the attached interpretive bulletin.

Sincerely,

Linda Ruthardt
Commissioner of Insurance

cc: Hon. Priscilla Douglas
George B. Dean, Esq.
James Castleman, Esq.