

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2396

1 AN ACT TO AMEND SECTION 83-11-501, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE MOST AN AUTO INSURER SHALL BE REQUIRED TO PAY  
3 FOR THE REPAIR OF ANY VEHICLE OR REPAIR OR REPLACEMENT OF GLASS IS  
4 THE PREVAILING MARKET RATE THAT SUCH VEHICLE OR GLASS COULD BE  
5 PROPERLY REPAIRED BY A REPAIR SHOP WITHIN A REASONABLE  
6 GEOGRAPHICAL AREA OF THE INSURED; TO DEFINE THE TERM "PREVAILING  
7 MARKET RATE"; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** Section 83-11-501, Mississippi Code of 1972, is  
10 amended as follows:

11 83-11-501. (1) No insurer may require as a condition of  
12 payment of a claim that repairs to a damaged vehicle, including  
13 glass repairs or replacements, must be made by a particular  
14 contractor or motor vehicle repair shop; provided, however, the  
15 most an insurer shall be required to pay for the repair of the  
16 vehicle or repair or replacement of the glass is the prevailing  
17 market rate that such vehicle or glass could be properly and  
18 fairly repaired or replaced by a contractor or repair shop within  
19 a reasonable geographical or trade area of the insured.

20 (2) For purposes of this section, the term "prevailing  
21 market rate" means the rate of the majority of available repair  
22 stalls in the local market area of the insured. The prevailing  
23 market rate shall be determined by an annual survey, conducted by  
24 the automobile insurers doing business in this state, of the  
25 repair shops in the local market area of the insured that comply  
26 with the minimum requirements for a Class A collision center  
27 recommended by the Collision Industry Conference. The survey  
28 shall contain the following information:



29           (a) The number of work stalls used for  
30 collision-related repairs at the location;  
31           (b) The hourly rates for body repair labor, refinish  
32 labor, mechanical labor and frame labor;  
33           (c) The inside and outside storage rates;  
34           (d) The paint and body material rates;  
35           (e) The discounts on parts; and  
36           (f) The markup on parts.  
37           (3) Completed surveys shall be submitted by the automobile  
38 insurers to the Attorney General's Office of Consumer Protection  
39 on the second Monday in February of each year. After notice and a  
40 hearing, the Attorney General is authorized to impose an  
41 administrative fine in an amount not to exceed Five Thousand  
42 Dollars (\$5,000.00) upon any person who files the survey after the  
43 deadline provided in this subsection but is not more than thirty  
44 (30) days late. After notice and a hearing, the Attorney General  
45 is authorized to impose an administrative fine in an amount not to  
46 exceed Ten Thousand Dollars (\$10,000.00) upon any person who fails  
47 to file the survey or files the survey more than thirty (30) days  
48 after the deadline provided in this subsection.

49           **SECTION 2.** This act shall take effect and be in force from  
50 and after July 1, 2002.

