

By: Representative Stevens

To: Insurance

HOUSE BILL NO. 877

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 a rate based on that charged at a majority of
22 available repair stalls in the local market area of the insured.
23 The prevailing market rate shall be determined by an annual
24 survey, conducted by the automobile insurers doing business in
25 this state, of the repair shops in the local market area of the
26 insured that comply with the minimum requirements for a Class A
27 collision center recommended by the Collision Industry Conference.
28 The survey 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.

