

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1095

Short Title: MV Insurance Repair Referrals.

(Public)

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Sponsors: Representatives Cole, Holt, Bowman; Gist and Kennedy.

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Referred to: Insurance.

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April 19, 1993

A BILL TO BE ENTITLED

1 AN ACT TO PROHIBIT INSURERS FROM REQUIRING OR RECOMMENDING  
2 THE USE OF SPECIFIED REPAIR COMPANIES FOR MOTOR VEHICLE  
3 DAMAGE REPAIRS.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 58-33-76 reads as rewritten:

7 "**§ 58-33-76. Referral of business to repair source; prohibitions.**

8 (a) ~~No adjuster or appraiser shall recommend the use of a particular service or~~  
9 ~~source for the repair of property damage without clearly informing the claimant that the~~  
10 ~~claimant is under no obligation to use the recommended repair service.~~

11 (b) No insurance company, agent, ~~adjuster~~ adjuster, or appraiser or any person  
12 employed to perform their service shall accept any gratuity or other form of  
13 remuneration from a repair service for recommending that repair service to a claimant.

14 (c) Any person who violates this section is subject to the provisions of G.S. 58-2-  
15 70 and G.S. 58-33-45."

16 Sec. 2. Chapter 58 of the General Statutes is amended by adding a new  
17 section to read:

18 "**§ 58-3-170. Motor vehicle repair; no exclusive and preferred provider**  
19 **arrangements; exception.**

20 (a) A policy covering damage to a motor vehicle shall allow the claimant to  
21 select the repair service or source for the repair of the damage.

22 (b) The insurer shall pay the same amount to the claimant for damage repair  
23 regardless of the repair service or source that is selected.

1       (c) The insurer or its representative, as soon as possible after receiving notice of  
2 the claim, shall provide the claimant with: (i) a copy of this section; and (ii) a list of all  
3 known motor vehicle repair services or sources in the claimant's county of residence.

4       (d) This section applies to all policies covering nonfleet private passenger  
5 vehicles insured pursuant to the provisions of Article 36 or 37 of this Chapter unless the  
6 insured waives the rights provided under this section, in writing.

7       (e) Any person who violates this section is subject to the applicable provisions of  
8 G.S. 58-2-70 and G.S. 58-33-45."

9               Sec. 3. This act is effective upon ratification and applies to policies with a  
10 renewal, inception, or anniversary date on or after October 1, 1993.