

GENERAL ASSEMBLY OF NORTH CAROLINA  
1993 SESSION

CHAPTER 525  
HOUSE BILL 1095

AN ACT TO PROHIBIT INSURERS FROM REQUIRING THE USE OF SPECIFIED  
REPAIR COMPANIES FOR MOTOR VEHICLE DAMAGE REPAIRS.

The General Assembly of North Carolina enacts:

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

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

(a) No insurance company, agent, adjuster or appraiser or any person employed to perform their service shall recommend the use of a particular service or source for the repair of property damage without clearly informing the claimant that the claimant is under no obligation to use the recommended repair service.

(b) No insurance company, agent, adjuster or appraiser or any person employed to perform their service shall accept any gratuity or other form of remuneration from a repair service for recommending that repair service to a claimant. Provided, however, discounts agreed to by repair services shall not violate this section.

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

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

**"§ 58-3-170. Motor vehicle repairs; selection by claimant.**

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

(b) The amount determined by the insurer to be payable under a policy covering damage to a motor vehicle shall be paid regardless of the repair service or source selected by the claimant.

(c) Any person who violates this section is subject to the applicable provisions of G.S. 58-2-70 and G.S. 58-33-45, provided that the maximum civil penalty that can be assessed under G.S. 58-2-70(d) for a violation of this section is two thousand dollars (\$2,000)."

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

In the General Assembly read three times and ratified this the 24th day of July, 1993.

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Dennis A. Wicker  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives