

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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**HOUSE BILL 986
Committee Substitute Favorable 4/29/03**

Short Title: MV Insurer To Disclose Financial Interest.

(Public)

Sponsors:

Referred to:

April 9, 2003

A BILL TO BE ENTITLED

1
2 AN ACT TO REQUIRE A MOTOR VEHICLE INSURER TO DISCLOSE ANY
3 FINANCIAL INTEREST IN A RECOMMENDED REPAIR FACILITY OR
4 SERVICE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 58-3-180(b1) reads as rewritten:

7 "(b1) No insurer or insurer representative shall recommend the use of a particular
8 motor vehicle repair service without clearly informing the claimant that (i) the claimant
9 is under no obligation to use the recommended repair service, (ii) the claimant may use
10 the repair service of the claimant's choice, ~~and~~ (iii) the amount determined by the
11 insurer to be payable under the policy will be paid regardless of whether or not the
12 claimant uses the recommended repair ~~service~~ service, and (iv) that the insurer or
13 insurer representative has, at the time the recommendations are made, a financial
14 interest in the recommended motor vehicle repair service. As used in this subsection, the
15 term 'financial interest' includes any direct repair or preferred repair facility where the
16 insurer has a contract to receive discounts on parts, labor, or for any other financial
17 concession. No insurer shall require the insured or claimant to have his vehicle repaired
18 at an insurer-owned shop or require an estimate from an insurer-owned shop to be the
19 basis of repairs for another shop."

20 **SECTION 2.** This act is effective when it becomes law.