**South Carolina General Assembly**

119th Session, 2011-2012

**H. 3232**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Herbkersman

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Introduced in the House on January 11, 2011

Currently residing in the House Committee on **Labor, Commerce and Industry**

Summary: Automobile repair estimates

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/14/2010 House Prefiled

12/14/2010 House Referred to Committee on **Labor, Commerce and Industry**

1/11/2011 House Introduced and read first time ([House Journal‑page 93](file:///h:\hj%20archive\2011\01-11-11.docx))

1/11/2011 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 93](file:///h:\hj%20archive\2011\01-11-11.docx))

**VERSIONS OF THIS BILL**

[12/14/2010](file:///p:\pprever\2011-12\3232_20101214.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 12 TO CHAPTER 77, TITLE 38 SO AS TO PROHIBIT ARBITRARY LIMITS ON WRITTEN AUTOMOBILE REPAIR ESTIMATES; TO PROHIBIT CERTAIN PERSONS FROM UNILATERALLY OR ARBITRARILY DISREGARDING A REPAIR OPERATION OR COST IDENTIFIED BY AN ESTIMATING SYSTEM WHICH AN INSURER AND COLLISION REPAIR FACILITY HAVE AGREED TO UTILIZE DETERMINING THE COST OF REPAIR; TO PROHIBIT AN INSURER, AGENT, EMPLOYEE, OR A REPRESENTATIVE FROM RECOMMENDING TO AN INSURED OR A CLAIMANT TO USE A SPECIFIC SHOP FOR REPAIR; AND TO PROHIBIT AN INSURER FROM OWNING OR HAVING AN INTEREST IN AN AUTO BODY REPAIR FACILITY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 77, Title 38 of the 1976 Code is amended by adding:

“Article 12

Arbitrary Limits in Auto Repair Estimates

Section 38‑77‑1210. An insurer may not recommend, apply, or include an arbitrary limit, a cap, or a threshold when adjusting labor, parts, or other material including, but not limited to, paint, body materials, and supplies, on a written automobile repair estimate.

Section 38‑77‑1220. (A) An insurer may not recommend, apply, or include an arbitrary limit, a cap, or a threshold when adjusting reasonable charges needed to cover costs and make a fair profit concerning a claim when a third party is involved. This includes administration charges, fair mark up on sublet work, travel and fuel charges, freight, and other reasonable and fair charges that apply.

(B) An adjuster or insurer, a director, an officer, a broker, an agent, an attorney‑in‑fact, an employee, or other representative of an insurer, in collision cases, may not unilaterally and arbitrarily disregard a repair operation or cost identified by:

(1) an estimating system, which an insurer and collision repair facility have agreed to utilize in determining the cost of repair; and

(2) the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), and an accredited association, organization, and business within the automotive repair industry.

Section 38‑77‑1230. An insurer, agent, employee, or a representative may not recommend, steer, request, or require an insured or a claimant to use a specific shop for repairs. This restriction forbids an act to influence an insured’s or a claimant’s decision, including reducing the deductable or offering additional warranties or suggesting that choosing a nondirect repair shop will result in delays, a lack of guaranty, or additional costs to the insured or claimant.

Section 38‑77‑1240. An insurer may not own or have any interest in an auto body repair facility.”

SECTION 2. This act takes effect upon approval by the Governor.

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