

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 135

(SENATE AUTHORS: LATZ, Pederson, J., Metzen, Goodwin and Housley)

DATE	D-PG	OFFICIAL STATUS
01/15/2015	73	Introduction and first reading Referred to Commerce
03/19/2015	996 1046	Comm report: No recommendation Second reading See SF2101, Art. 8 (modified)

1.1 A bill for an act
 1.2 relating to commerce; regulating conduct of an insurer in collision cases;
 1.3 amending Minnesota Statutes 2014, section 72B.092, subdivision 1.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2014, section 72B.092, subdivision 1, is amended to read:

1.6 Subdivision 1. **Prohibitions on insurer.** No adjuster or insurer, director, officer,
 1.7 broker, agent, attorney-in-fact, employee, or other representative of an insurer shall
 1.8 in collision cases:

1.9 (1) limit the freedom of an insured or claimant to choose the shop;

1.10 (2) require that an insured or claimant present the claim or the automobile for loss
 1.11 adjustment or inspection at a particular motor vehicle repair shop or shops designated by
 1.12 the insurer, or a "drive-in" claim center or any other similar facility solely under the
 1.13 control of the insurer;

1.14 (3) engage in boycotts, intimidation or coercive tactics in negotiating repairs to
 1.15 damaged motor vehicles which they insure or are liable to claimants to have repaired;

1.16 (4) attempt to secure, except in an emergency, the insured's or claimant's signature
 1.17 authorizing the party securing the signature to act in behalf of the insured or claimant in
 1.18 selection of a repair shop facility;

1.19 (5) adjust a damage appraisal of a repair shop when the extent of damage is in
 1.20 dispute without conducting a physical inspection of the vehicle;

1.21 (6) specify the use of a particular vendor for the procurement of parts or other
 1.22 materials necessary for the satisfactory repair of the vehicle. This clause does not require
 1.23 the insurer to pay more than a reasonable market price for parts of like kind and quality
 1.24 in adjusting a claim; or

2.1 (7) unilaterally and arbitrarily disregard a repair operation or cost identified by an
2.2 estimating system, which an insurer and collision repair facility have agreed to utilize in
2.3 determining the cost of repair; or

2.4 (8) specify or require any motor vehicle repair shop to utilize specific products,
2.5 vendors, distributors, manufacturers, or suppliers in order to carry out vehicle repairs for
2.6 an insured or claimant. The terms of pricing agreements an insurer has negotiated with
2.7 distributors, manufacturers, or suppliers of products, parts, supplies, or materials used for
2.8 vehicle repair may not be imposed on a motor vehicle repair shop.