



# ABARI *Collision* News

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## *2019 LEGISLATIVE BILLS*

On May 1<sup>st</sup> there were three Bills introduced to the State of Rhode Island General Assembly for consideration. What all three of these Bills have in common is that they are **CONSUMER PROTECTION BILLS**. These Bills are scheduled to be heard by the Senate Judiciary Committee on May 7, 2019 at 4:00PM. This hearing is open to the public.

The following is a brief recap of the Bills, the changes being suggested, and an explanation as to why these Bills would benefit the consumer.

**S 0849** To see and read this Bill [CLICK HERE](#)

The Legislative Council has given the following explanation of this Bill: *"This act would amend and expand the definitions of unfair claims practices committed by insurers with regard to physical inspection, performance of appraisals, retail valuation and total loss notification to owner"*.

**SECTION 21** A minor change has been made to reflect the true intent of this section when it was first introduced into law. The intent was that the cost of "body" repair materials should also be included in the cost of *"charges as identified through industry recognized software programs or systems for paint and refinishing materials in auto body repair claims"*. (This change was made necessary, as there were a few outliers within the insurance community who felt that they were not obligated to pay for "body repair materials" in the course of collision repairs, as the Statute did not specifically state so. Body repair materials are part of the collision repair process. The consumer is entitled to be reimbursed for the full cost of repairs).

**SECTION 23** This section mandates that once the threshold of \$2,500.00 in damages has been reached that the appraisal performed by a licensed appraiser must be based upon a *"physical inspection of the damaged motor vehicle; and may not perform an appraisal based upon pictures of the damaged motor vehicle"*. (This will better ensure that the consumer is fairly compensated and protected by allowing for a more accurate assessment of damages that cannot be done by remotely performing an appraisal based upon photos alone. This change is necessary due to the complexity of vehicles produced today. The advent of consumer protection safety features such as Advanced Driver Assistance Systems [ADAS] is now common. By the year 2020, it will be mandated that all U.S. manufactured vehicles must have autonomous emergency braking systems and forward collision warning systems. The safety of the consumer is paramount.)

**SECTION 24** The changes made in this section places a time frame for 3 days for the initial inspection of a damaged motor vehicle provided that the damaged motor vehicle is on the premises of the repair shop when the request is made. (The vast majority of insurance companies are already making prompt initial inspections but there are a few outliers that are needlessly delaying the initial inspection, thus causing problems to the consumer by stalling the repair process. Not all insureds have rental coverage; and, for those that do, there are time limits on the rental. Precious days are lost in the repair process that causes not only inconvenience, but could also translate to additional "out of pocket" expenses to the consumer.)

**SECTION 25** This section deals with Total Loss Vehicles. There are two new Subsection: (iv and v)

**SUBSECTION (iv)** This Subsection would define the standards regarding condition adjustments that may be applied to the retail value of a vehicle once it has been declared a Total Loss. Since the retail value of a vehicle deemed a total loss is set by “a nationally recognized compilation of retail values, commonly used by the automotive industry” it is only fair that any “condition adjustments” made by an insurer should also be governed by the standards set by this same source. (This section is needed to protect consumers from a relatively small set of insurers that are unfairly devaluing vehicles based upon unrealistic standards.)

**SUBSECTION (v)** This Subsection makes the insurer responsible of notifying the “owner of the vehicle in writing of the requirements of obtaining both a salvage title and reconstructed title from the department of motor vehicles pursuant to chapter 1 of title 31”. (Once a vehicle has been declared a Total Loss, there are many obstacles that must be overcome before that same vehicle can be returned to use. All too often we have seen the consumer retain the salvage, unaware of the ramifications of doing so. The consumer has the right to be informed and advised of this critical information before they agree to retain the “salvaged vehicle”. Experience tells us that when the consumer retains the salvage, it only becomes an unwanted financial burden to them).

**S 0848** To see and read this Bill [CLICK HERE](#)

The Legislative Council has given the following explanation of this Bill: “This act would allow for treble damages in civil actions for violations by insurers of the unfair claims settlement practices act.”

(In the event that an insurer refuses to adhere to the standards set by §27-9.1-4(25) this would provide a realistic avenue for the consumer to obtain relief through civil action).

**S 0850** To see and read this Bill [CLICK HERE](#)

The Legislative Council has given the following explanation of this Bill: “This act would require that the owner of a vehicle be notified in writing that installation of an aftermarket glass will require re-calibration of safety related systems, for which cost the insurer is responsible”.

Subsection (e) of 27-10.2-2 had defined that a Licensed Motor Vehicle Glass Repair Shop licensed pursuant to chapter 38.5 of title 5 was exempt from the Time Limit prohibition on Aftermarket parts. Changes made to Subsection (e) would further define that the exemption was only for “non-collision related damage” – “provided, the owner of the vehicle is notified in writing that installation of an aftermarket glass will require re-calibration of safety related systems, for which cost the insurer is responsible, provided further, that and OEM glass is installed if specifically requested by the vehicle owner”

Note: Last year there was some confusion on Subsection (e). There was the false assumption that the services of a licensed Motor Vehicle Glass Repair Shop could be called upon to replace collision damaged glass with aftermarket glass on vehicles less than 48 months old and were being repaired at full collision repair shops. This is why there is a need to further define that the exemption is only for “non-collision related damage”. There is also the further need to address Advanced Driver Assistance Systems (ADAS) that have a high frequency of having some component that has a physical connection to a windshield, or has a dependency or relationship with the windshield to perform properly. ADAS technologies include autonomous emergency braking, lane-departure warning, adaptive cruise control, and collision avoidance systems. This is why there is a need to protect the consumer by having the licensed Motor Vehicle Glass Repair Shop provide a written notice to the owner of the vehicle “that installation of an aftermarket glass will require re-calibration of safety related systems, for which cost the insurer is responsible, provided, further, that an OEM glass is installed if specifically requested by the vehicle owner”.