

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Joyce A. Spiliotis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act RELATING TO AUTO GLASS INSURANCE CLAIMS AND THIRD PARTY BILLING.

PETITION OF:

NAME:

Joyce A. Spiliotis

DISTRICT/ADDRESS:

12th Essex

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATING TO AUTO GLASS INSURANCE CLAIMS AND THIRD PARTY BILLING.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 100A of the General Laws is hereby amended by adding the following
2 section:—

3 100A:11 Auto glass replacement and/or repair or rental and replacement vehicle transactions and
4 services; 3rd party billing limitations

5 Section 11. Notwithstanding any provisions of any general or special law to the contrary no company
6 which serves as a third party biller for a particular insurance company whether a carrier or a producer
7 may additionally provide auto glass replacement and/or repair services or rental and replacement vehicle
8 transactions and services for such insurance company. A third-party biller shall be defined as any
9 company who processes pays and monitors the payment of auto glass claims on behalf of an insurance
10 carrier or insurance producer. Such third-party biller shall not be related to any glass replacement repair
11 services in any way. This includes stock ownership or such ownership by any direct family relative. Such
12 third-party biller shall file with the Office of the Insurance Commissioner statements of ownership every
13 year on a prescribed schedule or upon any material change in ownership. All third-party billers shall file
14 with the Office of the Insurance Commissioner all contracts held with specific insurance companies either
15 carriers or producers which delineate the provisions of the business relationship excluding the amount of
16 consideration provided for third-party billing services. The commissioner of the division of insurance shall
17 promulgate rules and regulations for the administration and enforcement of this section. Each violation
18 resulting in a failure to file either the statement of ownership and/or agreements between insurance
19 companies and third-party billers shall result in a fine of \$5000.00 per incident. The fine shall be collected

20 by the Division of Insurance and deposited in a retained revenue account to be used by the division to
21 carry out the enforcement of this act. Furthermore the division of insurance shall create and make
22 available forms for reporting such violation of this section. An insurance company or third party biller for
23 such insurance company violating the first paragraph of this section shall be punishable by a fine of
24 \$1000.00 for each incident. The fine shall be collected by the Division of Insurance and deposited in a
25 retained revenue account to be used by the division to carry out the enforcement of this act. Furthermore
26 the division of insurance shall create and make available forms for reporting such violation of this section.
27

28 SECTION 2. Chapter 100A of the General Laws is hereby amended by adding the following section:—

29 100A:12

30 Auto glass replacement and/or repair or rental and replacement vehicle transactions and services;
31 restrictions

32 Section 12. Notwithstanding any provisions of any general or special law to the contrary no insurance
33 company third party biller agent or adjuster for such insurance company that issues or renews in the
34 commonwealth any policy of insurance covering in whole or in part any motor vehicle may require that
35 any person insured under said policy use a particular company or location for the providing of auto glass
36 replacement and/or repair services; **provided that this shall not prevent an insured from specifically**
37 **requesting information about a particular auto glass shop and its location.** No such insurance
38 company third party biller agent or adjuster for such insurance company may engage in any act or
39 practice of intimidation coercion threat or inducement for or against any such insured person to use a
40 particular company or location to provide such services or products nor shall such insurance company
41 producer, third party biller agent, or adjuster provide for allow or facilitate telephonic claims information
42 directly to preferred automobile glass repair shops. The provisions of this section are applicable only to
43 auto glass repair shops registered under the provisions of chapter 100A. The commissioner of the
44 division of insurance shall promulgate rules and regulations for the administration and enforcement of this
45 section. An insurance company third party biller agent or adjuster for such insurance company violating
46 this section shall be punishable by a fine of not less than \$300.00 nor more than \$500.00 for each
47 incident. The fine shall be collected by the Division of Insurance and deposited in a retained revenue
48 account to be used by the division to carry out the enforcement of this act. Furthermore the division of
49 insurance shall create and make available forms for reporting such violation of this section. Any violations
50 of this chapter are subject to the provisions of chapter 93A.

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