

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 986

Short Title: MV Insurer to Disclose Financial Interest. (Public)

Sponsors: Representatives Lucas; B. Allen, Bell, Bonner, Capps, Cole, Culp, Decker, Earle, Frye, Glazier, Goodwin, Gulley, Hill, Hilton, L. Johnson, Jones, Kiser, Lewis, McCombs, McGee, McLawhorn, Parmon, Rhodes, Sexton, Sutton, West, and A. Williams.

Referred to: Insurance.

April 9, 2003

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

"(b1) No insurer or insurer representative shall recommend the use of a particular motor vehicle repair service without clearly informing the claimant that (i) the claimant is under no obligation to use the recommended repair service, (ii) the claimant may use the repair service of the claimant's choice, ~~and~~ (iii) the amount determined by the insurer to be payable under the policy will be paid regardless of whether or not the claimant uses the recommended repair ~~service~~ service, and (iv) that the insurer or insurer representative has, at the time the recommendations are made, a financial interest in the recommended motor vehicle repair service."

SECTION 2. Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-3-181. Motor vehicle insurers not to have continuing interest in repair services.

(a) No insurer issuing a policy covering damage to a motor vehicle in this State shall have a continuing financial interest in any repair service in this State.

(b) This section applies to insurers newly licensed to issue policies covering damage to motor vehicles in this State on or after January 1, 2004."

SECTION 3. This act is effective when it becomes law.