

AASP-MN BILL SIGNED BY GOVERNOR

On May 17th, Minnesota Governor Tim Pawlenty signed into law legislation proposed by the Alliance of Automotive Service Providers, Minnesota (AASP-MN). House File 1949/Senate File 1542 prohibits insurers from adjusting a repair shop estimate when the extent of damage is in dispute unless the insurer conducts a physical inspection of the vehicle. The legislation also prohibits insurers from requiring that shops use a particular vendor for parts procurement. The legislation will become effective on August 1, 2007.

Minnesota Statutes 2006, section 72B.092, subdivision 1, is amended to read:

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

- adjust a damage appraisal of a repair shop when the extent of damage is in dispute without conducting a physical inspection of the vehicle; or
- specify the use of a particular vendor for the procurement of parts or other materials necessary for the satisfactory repair of the vehicle. This clause does not require the insurer to pay more than a reasonable market price for parts of like kind and quality in adjusting a claim.

“From a practical standpoint, the passage of this legislation means that repair shops will no longer be tied up in disputes based solely on an insurer’s or third-party auditor’s view of a photograph of a damaged vehicle,” states Judell Anderson, AASP-MN Executive Director. “In addition, the legislation ensures that shops can continue to work with parts suppliers with whom they have established a good working relationship and who they can rely on to provide quality parts and good service.”

AASP-MN secured strong bipartisan support for its measure in the House and Senate. On final passage, the bill received a vote of 64-0 in the Senate and 133-0 in the House. AASP-MN is gratified that the Chairs of the House and Senate Commerce Committees – Representative Joe Atkins (DFL-Inver Grove Heights) and Senator Linda Scheid (DFL-Brooklyn Park) agreed to be the Chief Authors of its bill.