

2019 Regular Session

HOUSE BILL NO. 437

BY REPRESENTATIVE TALBOT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/AUTOMOBILE: Provides for motor vehicle repair estimates by insurers

1 AN ACT

2 To enact R.S. 22:1298 and R.S. 51:2424(B)(3), relative to repair estimates by motor vehicle
3 insurers; to require a personal inspection for repair estimates; to authorize the use of
4 photographs, videos, or telephonic means in preparing supplemental estimates; to
5 require signed acknowledgment of the use of non-OEM aftermarket crash parts in
6 a repair estimate; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1298 is hereby enacted to read as follows:

9 §1298. Repair estimates; personal inspection; supplemental estimates

10 A.(1) No appraiser shall secure or use repair estimates that have been
11 obtained by the use of photographs, telephone calls, or in any manner other than a
12 personal inspection.

13 (2)(a) An appraiser shall not require the submission of photographs or videos
14 in order to obtain an appraisal.

15 (b) An appraiser, or an insurer as part of the appraisal process, shall disclose
16 to the owner of the vehicle that there is no requirement to submit photographs or
17 videos in order to obtain an appraisal.

18 B.(1) Every appraiser shall promptly reinspect damaged vehicles prior to the
19 repairs in question when supplementary allowances are requested by repair shops
20 and the amount or extent of damages is in dispute.

1 (2) Supplemental repair estimates that become necessary after the repair
2 work has been initiated due to discovery of additional damage to the motor vehicle
3 may be made by personal inspection or by photographs, videos, or telephonic means,
4 except that a personal inspection shall be required in the case of disputed repairs.

5 Section 2. R.S. 51:2424(B)(3) is hereby enacted to read as follows:

6 §2424. Disclosure

7 * * *

8 B. In all instances where non-OEM aftermarket crash parts are intended for
9 use by an insurer:

10 * * *

11 (3) At the time of delivery of the disclosure document required by Paragraph
12 (2) of this Subsection, the insurer shall obtain a separate written statement, signed
13 by the insured, acknowledging that the insured has received and understands the
14 disclosure.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 437 Original

2019 Regular Session

Talbot

Abstract: Requires a personal inspection for all initial repair estimates and requires a signed acknowledgment by the insured of the insurer's use of non-OEM aftermarket crash parts in the repair estimate.

Proposed law prohibits an appraiser from securing or using repair estimates that have been obtained by the use of photographs, telephone calls, or in any manner other than a personal inspection.

Proposed law further prohibits an appraiser from requiring the submission of photographs or videos in order to obtain an appraisal and requires the appraiser, or an insurer as part of the appraisal process, to disclose to the owner of the vehicle that there is no requirement to submit photographs or videos in order to obtain an appraisal.

Proposed law requires every appraiser to promptly reinspect damaged vehicles prior to the repairs in question when supplementary allowances are requested by repair shops and the amount or extent of damages is in dispute. Further authorizes supplemental repair estimates that become necessary after the repair work has been initiated due to discovery of additional damage to the motor vehicle to be made by personal inspection or by photographs, videos, or telephonic means, except a personal inspection shall be required in the case of disputed repairs.

Present law prohibits an insurer from specifying the use of nonoriginal equipment manufacturer (non-OEM) aftermarket crash parts in the repair of an insured's motor vehicle, nor shall a repair facility or installer use non-OEM aftermarket parts to repair a vehicle, unless the insured is so advised in writing.

Present law further requires an insurer to provide, in all instances where the insurer intends for non-OEM aftermarket crash parts to be used, a written estimate that clearly identifies each part and a disclosure document containing the following information in 10-point type or larger on or attached to the insured's copy of the estimate: "This estimate has been prepared based on the use of crash parts supplied by a source other than the manufacturer of your motor vehicle. Warranties applicable to these replacement parts are provided by the manufacturer or distributor of these parts rather than the manufacturer of your vehicle."

Proposed law retains present law and adds a requirement that, at the time of delivery of the disclosure document required by present law, the insurer shall obtain a separate written statement, signed by the insured, acknowledging that the insured has received and understands the disclosure.

(Adds R.S. 22:1298 and R.S. 51:2424(B)(3))