HLS 12RS-583 **ORIGINAL**

Regular Session, 2012

HOUSE BILL NO. 308

BY REPRESENTATIVE THIERRY

INSURANCE/AUTOMOBILE: Repeals provisions relative to unfair trade practices involving automobile insurance

AN ACT

To repeal R.S. 22:1965 and 1966, relative to unfair trade practices in automobile insurance; to repeal laws relative to unfair trade practices.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1965 and 1966 are hereby repealed in their entirety.

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)]

Thierry HB No. 308

Abstract: Repeals provisions relative to unfair trade practices in automobile insurance.

Present law provides that it as unfair method of competition, as well as unfair and deceptive, for insurers to establish a contract or agreement with any company to arrange for insurance repairs, where the insurer and repair company agree to a price for repair that will allow the insurer to retain a percentage of the repair costs.

Present law further provides that it is an unfair method of competition, as well as unfair and deceptive, for an insurer to establish a contract or agreement with any individual or company to manage, subcontract, broker, or arrange insurance repair for any glass repair or replacement on a motor vehicle.

The Louisiana Supreme Court in *Globe Glass & Mirror Co. v. Brown*, 917 F. Supp. 447 (E.D. La 1996) declared that the practice of limiting which company an insurer may contract with for repairs is an impermissible violation of the dormant Commerce Clause and is unconstitutional.

Proposed law repeals present law declared to be unconstitutional in the case of *Globe Glass & Mirror Co. v. Brown* in its entirety.

(Repeals R.S. 22:1965 and 1966)