
DIGEST

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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)