It is enacted by the General Assembly as follows:

SECTION 1. Chapter 27-29 of the General Laws entitled "Unfair Competition and Practices" is hereby amended by adding thereto the following section:

27-29-4.7. Auto body repair - Posted auto body labor rates. – Every insurer adjusting motor vehicle property damage claims must reimburse a licensed auto body shop its posted auto body labor rate when determining the amount required to repair a damaged vehicle to pre-accident condition, provided that the auto body shop’s posted labor rate does not exceed the reimbursement amount approved by the vehicle’s manufacturer for work performed at a licensed dealership in the state of Rhode Island.

SECTION 2. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO INSURANCE - UNFAIR COMPETITION AND PRACTICES

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This act would require every insurer adjusting a motor vehicle property damage claim to reimburse licensed auto body facilities their posted labor rates when determining the amount required to repair the damaged vehicle to pre-accident condition.

This act would take effect upon passage.