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H.160

Introduced by Representatives Christie of Hartford, Goslant of Northfield,
LaBounty of Lyndon, Smith of Derby, and Troiano of Stannard

Referred to Committee on

Date:

Subject: Insurance; automobile; minimum reimbursement rates; labor

Statement of purpose of bill as introduced: This bill proposes to establish
minimum reimbursement rates for labor applicable to automobile insurance
claims.

An act relating to minimum reimbursement rates for labor related to
automobile insurance claims

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 8 V.S.A. § 4212 is added to read:

§ 4212. MINIMUM REIMBURSEMENT RATES FOR LABOR

(a) The Commissioner of Financial Regulation shall conduct a market
survey of the hourly labor rates charged by automobile repair facilities in
Vermont. In addition, the Commissioner shall investigate the labor rates paid
by automobile insurance companies for repair work in Vermont. The
Commissioner shall compare these rates with the average rates in other New

1 England states and may review any additional data the Commissioner deems
2 relevant to such rates, such as national data.

3 (b) After assessing the data collected under subsection (a) of this section,
4 the Commissioner shall establish a minimum hourly insurance reimbursement
5 rate for labor that applies to both first- and third-party automobile insurance
6 claims. The rate shall be a fair and reasonable amount that takes into
7 consideration prevailing competitive prices. In addition, the Commissioner
8 shall establish a formula for annually adjusting the minimum labor rate based
9 on the Consumer Price Index published by the U.S. Bureau of Labor and
10 Statistics.

11 (c) The minimum reimbursement rate established under subsection (b) of
12 this section shall apply to all insurance claims filed on or after January 1, 2024.

13 (d) Nothing in this section shall be construed to prohibit a claimant and an
14 insurer from negotiating a higher labor rate that takes into consideration factors
15 such as vehicle type; body composition materials; labor type; required labor
16 expertise, training, and certifications; equipment; and geographic area of the
17 chosen repair shop. An insurer shall not refuse to negotiate on the basis of its
18 ability to obtain a price that it can secure from another licensed repair facility
19 conveniently located to the claimant.

20 Sec. 2. EFFECTIVE DATE

21 This act shall take effect on passage.