

1 H.384

2 Introduced by Representative Christie of Hartford

3 Referred to Committee on

4 Date:

5 Subject: Insurance; automobile; minimum reimbursement rates; labor

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

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

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

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

13 § 4212. MINIMUM REIMBURSEMENT RATES FOR LABOR

14 (a) The Commissioner of Financial Regulation shall conduct a market
15 survey of the hourly labor rates charged by automobile repair facilities in
16 Vermont. In addition, the Commissioner shall investigate the labor rates paid
17 by automobile insurance companies for repair work in Vermont. The
18 Commissioner shall compare these rates with the average rates in other New
19 England states and may review any additional data the Commissioner deems
20 relevant to such rates, such as national data.

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

9 (c) The minimum reimbursement rate established under subsection (b) of
10 this section shall apply to all insurance claims filed on or after January 1, 2026.

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

18 Sec. 2. EFFECTIVE DATE

19 This act shall take effect on passage.