

TITLE 27
Insurance
CHAPTER 27-29
Unfair Competition and Practices
SECTION 27-29-4.4

§ 27-29-4.4 Auto body repair labor rate surveys. – (a) Every insurance carrier authorized to sell motor vehicle liability insurance in the state shall conduct an auto body repair labor rate survey, subject to and in accordance with the following provisions:

(1) When used in this section the following definitions shall apply:

(i) "Auto body labor rate survey" is an analysis of information gathered from auto body repair shops regarding the rates of labor that repair shops charge in a certain geographic area.

(ii) "Prevailing auto body labor rate" means the rate determined and set by an insurer as a result of conducting an auto body labor rate survey in a particular geographic area, and used by insurers as a basis for determining the cost to settle automobile property damage claims.

(iii) "Independent auto body repair facility" means any auto body repair facility that does not have a formal agreement and/or written contract with an insurer to provide auto body repair services to insureds and/or claimants.

(iv) "Direct repair program" means any methods through which an insurer refers, suggests, recommends a specific auto body repair facility, with whom the insurer has a formal agreement and/or contract to provide auto body repair services, to insureds and/or claimants.

(v) "Contract rate" means any labor rate to which an auto body repair facility and an insurer have agreed in a formal agreement and/or written contract.

(2) Each insurer must conduct an auto body labor rate survey, in writing, annually to determine a prevailing auto body labor rate for fully licensed auto body repair facilities.

(3) Insurers may not use an auto body labor rate survey, contract rates from auto body repair facilities with which it has a formal agreement or contract to provide auto body repair services to insureds and/or claimants, or rates from a repair facility holding a special use license.

(4) Each auto body labor rate survey shall include the following:

(i) The name and address of each shop surveyed in the labor survey;

- (ii) The total number of shops surveyed;
 - (iii) The prevailing rate established by the insurer; and
 - (iv) A description of the formula or method used to calculate or determine the specific prevailing rate reported.
- (5) Each insurer must report the results of their auto body labor rate survey to the department of business regulation insurance division.
- (6) The department of business regulation must promulgate regulations related to auto body labor rate surveys by October 1, 2006 establishing the following:
- (i) A questionnaire that must be used by all insurers in their labor rate survey;
 - (ii) Date of reporting; and
 - (iii) Number or percentage of shops to be surveyed.
- (7) The department of business regulation shall review all surveys submitted for compliance with this section and any rules and regulations promulgated by the department