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Tennessee Lawmakers Address Insurer Steering

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Both the Tennessee House of Representatives and the Senate are considering bills that place restrictions on insurer referrals and appraisals for collision repair and auto glass work. The two bills, House Bill 3488 and Senate Bill 3455 are identical and based on a single model.

H.B. 3488 is sponsored by Rep. Dennis Ferguson (D) and S.B. 3455 is sponsored by Sen. Ken Yager (R).

This bill requires an insurer to disclose to the customer, upon initial notification of a claim, that he or she has the right to select the repair facility of their choice to. It also states that an insurer may not "request or require" any insured or third-party claimant to use a specific person or business for the repair or appraisal.

The bill defines "Deceptive referral" as "any trade practice by which an insurer attempts to persuade, convince, coerce, or intimidate a claimant into changing the claimant's choice of repair facility after the insurer has been informed that the claimant has selected a repair facility.

In addition, the bill requires that an insurer may not engage in deceptive referral practices which "state or imply that a particular repair shop, facility, vendor, or supplier must be used for motor vehicle repair" and once a claimant has chosen a repair facility, "any attempt to change or restrict the claimant's decision must cease."

Appraisers would be required to conduct a physical visual inspection of the damaged Vehicle and no person shall alter or change an estimate created by the appraiser that performed the original physical visual inspection. In addition, the original appraiser would be prohibited from making changes to an estimate based on the recommendation of another party that has not performed a

physical visual inspection.

The measure also addresses labor rates to the extent that rates paid by insurers for repairs must be based on a free market rate and they may not limit or discount the amount for the repair based on what it may have cost if the repair had been made at a location specified by the insurer.

Finally, the bill requires a notice of a claimant's right to choose a repair facility on proof of financial responsibility cards.

Both bills were introduced in January have been assigned to committee. No action has yet been taken.

Download the text of the bills [SB 3455](#) and [HB 3488](#)



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