



**SENATE SUBSTITUTE AMENDMENT 3,
TO 2007 SENATE BILL 181**

January 24, 2008 – Offered by COMMITTEE ON TRANSPORTATION AND TOURISM.

1 **AN ACT to create** 632.375 of the statutes; **relating to:** motor vehicle repair
2 practices.

Analysis by the Legislative Reference Bureau

Current law prohibits an insurer that issues a motor vehicle insurance policy that covers the repair or replacement of motor vehicle glass from conditioning the coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular vendor specified by the insurer. Under this substitute amendment, an insurer that issues a motor vehicle insurance policy that covers repairs to a motor vehicle is prohibited from: 1) requiring that repairs be made by a particular contractor or repair shop as a condition for paying a claim; and 2) failing to initiate or conclude with due dispatch an investigation of a claim for repairs on the basis of whether the repair will be made by a particular contractor or repair shop. The prohibitions under the substitute amendment do not apply to insurance coverage of motor vehicle glass repair, to which current law still applies.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 632.375 of the statutes is created to read:

1 **632.375 Motor vehicle repair practices. (1) SCOPE.** This section applies
2 to every insurer that issues or delivers in this state a motor vehicle insurance policy
3 that covers repairs to a motor vehicle registered or principally garaged in this state.

4 **(2) PROHIBITED PRACTICES.** (a) No insurer may require that, as a condition of
5 paying a claim, repairs to a motor vehicle be made by a particular contractor or repair
6 shop.

7 (b) No insurer may fail to initiate or conclude with due dispatch an
8 investigation of a claim for repairs to a motor vehicle on the basis of whether the
9 repairs will be made by a particular contractor or repair shop.

10 **(3) INAPPLICABILITY TO GLASS REPAIR.** Section 632.37, rather than this section,
11 applies to the repair or replacement of motor vehicle glass under a motor vehicle
12 insurance policy.

13 **SECTION 2. Initial applicability.**

14 (1) If a motor vehicle insurance policy that is in effect on the effective date of
15 this subsection contains a provision that is inconsistent with this act, this act first
16 applies to that motor vehicle insurance policy on the date on which it is renewed.

17 **(END)**