

HOUSE No. 5857

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 30, 1978.

The committee on Insurance, to whom was referred the petition (accompanied by bill, House, No. 2938) of Ruth E. Sherman to provide for direct payment of motor vehicle insurance claims; the petition (accompanied by bill, House, No. 4053) of Eleanor M. Campobasso for legislation to prohibit motor vehicle insurers from requiring that an insured submit a claim form stating that repair work has been completed before payment to the insured is made; and the petition (accompanied by bill, House, No. 4061) of Raymond M. LaFontaine, Daniel J. Foley and Theodore J. Aleixo, Jr., for legislation to prohibit insurance companies from reducing certain motor vehicle insurance physical damage payments, reports recommending that the accompanying bill (House, No. 5857) ought to pass.

For the committee,

RAYMOND M. LAFONTAINE

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Eight.

AN ACT FURTHER REGULATING THE PAYMENT OF CERTAIN MOTOR
VEHICLE INSURANCE PHYSICAL DAMAGE PAYMENTS.

*Be it enacted by the Senate and House of Representatives in General
Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. The tenth paragraph of section 34O of chapter 90
2 of the General Laws is hereby amended by striking out the fourth
3 sentence thereof and inserting in place thereof the following
4 sentence:

5 If the insured elects not to repair the vehicle or if the insurer does
6 not receive a claim form from the insured stating that the repair
7 work has been completed, the insurer shall decrease the actual cash
8 value of the insured vehicle by the amount of the damage
9 sustained, provided, however, that if the insured elects not to
10 repair his vehicle and sells the vehicle then the insurer shall pay to
11 the insured the difference between the actual cash value of the
12 vehicle immediately prior to the loss and the actual cash value of
13 the damaged vehicle as represented by the bona fide sales price.

1 SECTION 2. The second paragraph of section 113 0 of chapter
2 175 of the General Laws is hereby amended by striking out the
3 fourth sentence thereof and inserting in place thereof the following
4 sentence:—

5 If the insured elects not to repair the vehicle, or if the insurer
6 does not receive a claim form from the insured stating that the
7 repair work has been completed, the insurer shall decrease the
8 actual cash value of the insured vehicle by the amount of the
9 damage sustained, provided, however, that if the insured elects not
10 to repair his vehicle and sells the vehicle then the insurer shall pay
11 to the insured the difference between the actual cash value of the
12 vehicle immediately prior to the loss and the actual cash value of
13 the damaged vehicle as represented by the bona fide sales price.