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South Carolina bill would give consumers choice of repair shop, right to appraisal

By [Lurah Lowery](#) on February 1, 2022
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[South Carolina House Bill 4847](#), called the Rural Area Support Act, focuses on ensuring consumer choice and safety when it comes to collision repairs.

The act would amend current law to add several new requirements, but four are relevant to the collision repair industry. Those are the requirement of insurers to provide a third-party appraisal, to allow policyholders to choose where they take their vehicles for repairs and what rental car company they use, the prevention of collusion between insurers and vendors a requiring repairers to follow OEM repair procedures.

The bill is sponsored by Democrats Joseph H. Jefferson, Jr. (District 102), Lonnie Hosey (District 91), Annie E. McDaniel (District 41), Wendell G. Gilliard (District 111) and Bill Clyburn (District 82). Only McDaniel responded to Repairer Driven News' request for comment on the bill by the publishing deadline.

A similar bill regarding the appraisal clause has also [been introduced in the Washington House](#) and [Oregon already has a law](#) on the issue in place.

McDaniel said her district is mostly rural so she signed on as a co-sponsor of the bill because she believes it will have a positive impact on small businesses in rural communities.

"Most of the insurance companies have agreements with a lot of the franchises, larger repair companies and automotive repair shops and a lot of our small rural shops are left out," she said.

Insurers would be required to use South Carolina-owned vendors for at least 50% of its covered services.

Using third-party appraisals to establish the actual cash value of vehicles [won't leave any room for negotiation on how much](#)

insurers will pay out and will prevent insurers from getting money back for claims, according to McDaniel.

“If that’s happening, I’m totally against that because once that claim is filed and the insurance company has stated what it will pay – and in this case it would be based on appraised value – then there should not be any room for them to get any other money as a result of that claim,” she said.

The act would also prohibit collusion between insurers and vendors to force policyholders to go to certain shops or rental companies or for insurers and companies to have pre-negotiated price agreements that must be met for a shop to do claims repair work for the insurer.

Carolina’s Collision Association (CCA) President Kyle Bradshaw told RDN the association supports the bill and that it’s a win for consumers and repairers.

“Right now, there’s no means of disputing what a carrier says when it comes to repairs so basically if you’ve got insurance in South Carolina and your policy doesn’t have an appraisal provision in it then whatever your carrier says you either have to make the decision on I can pay the difference or ultimately make the decision to file litigation against your insurance,” Bradshaw said. “The appraisal provision provides a dispute mechanism without having to go the litigation route.”

For example, Auto Claim Specialists Managing Director Robert McDorman [has data from more than 700 Texas total loss appraisal clause proceedings](#) that show insurer estimates of customer vehicle value were, on average, around \$3,500 too low.

The CCA also agrees with following OEM procedures.

“We want vehicles repaired properly and we want to put consumers in safe vehicles,” Bradshaw said. “We believe the way that the OEM says to repair the vehicle is the way to fix a vehicle. Sometimes [with] carriers that doesn’t necessarily align with what their values are.”

After introduction, the bill was referred to the House Committee on Labor, Commerce and Industry on Jan. 20.

IMAGES

Featured image: House of Representatives Chamber in the South Carolina State Capitol building (Credit: gnagel/iStock)

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