

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
1511 Pontiac Avenue
Cranston, RI 02920

INSURANCE REGULATION 78

PROCEDURES IN PAYMENT OF AUTOMOBILE DAMAGE CLAIMS

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Section 1 **Authority**

This Regulation is promulgated pursuant to R.I. Gen. Laws §§ 5-38-28, 27-10.1-9(b), and 42-14-17.

Section 2 **Purpose**

The purpose of this Regulation is to set forth the procedure which must be followed with regard to the Work Completion Certification Form, to clarify insurers obligations with regard to requests for payment to unlicensed automobile body shops and to prescribe the language of a warning to consumers that choose to accept the value of automobile damage rather than have the automobile repaired.

Section 3 **Definitions**

For the purpose of this Regulation:

- A. "Automobile Body Shop" means an auto body shop as defined in R.I. Gen. Laws § 5-38-1.
- B. "Consumer" means a person or entity making a claim under an insurance policy issued in the State of Rhode Island.
- C. "Director" means the Director of Business Regulation or his or her designee.
- D. "Insurer" means any person engaged in the business of property and casualty insurance.

- E. "Work Completion Certification Form" means the form attached hereto as Appendix A promulgated in accordance with R.I. Gen. Laws § 5-38-28.

Section 4 Procedures in Payment of Automobile Damage Claims

- A. Any insurer that settles a property damage claim arising out of an insurance policy issued in the State of Rhode Island shall follow the following procedure with regard to the Work Completion Certification Form.
1. Upon settlement of a property damage claim the insurer shall complete Section 1 of the Work Completion Certification Form attached hereto as Appendix A.
 2. The insurer shall send the form with Section 1 completed to the consumer with instructions that the consumer should complete Section 3 of the form and return it to the insurer. The insurer shall include a stamped self addressed envelope if the form is sent by regular mail. Electronic transmission is acceptable if the consumer elects that option.
 3. Upon receipt of the completed form from the consumer, the insurer shall send the form with Sections 1 and 3 completed to the automobile body repair shop for completion of Section 2.
 4. Upon return of the completed form by the automobile body shop, the insurer shall retain the completed Work Completion Certification form with the claim file.
- B. An insurer shall not negotiate, agree to a price or pay an unlicensed automobile body shop for the performance of any work for which a license is required by R.I. Gen. Laws § 5-38-4 or regulations promulgated thereunder.
1. The provisions of this section do not prohibit payment to an automobile body shop which is not required to hold a license under R.I. Gen. Laws § 5-38-4, including shops located in other states, and shall not prohibit payment for goods or services for which the facility is not required to hold a license.
 2. The provisions of this section do not prohibit the insurer from paying the consumer the value of the repairs directly. If an insurer has a concern about licensing of an automobile body shop it shall not delay payment to the consumer as a result of those concerns.
 3. If an insurer has reason to believe that a shop chosen by a consumer does not hold a required license, the insurers should notify the Commercial

Licensing Division of the Department of its concern along with all supporting facts and documentation.

- C. The return of the Work Completion Certification form is not a condition of payment, and payment shall not be withheld for failure to complete this form.

Section 5 **Effective Date**

This Regulation shall become effective twenty (20) days from the date of filing as indicated below.

EFFECTIVE DATE:	February 4, 1994
AMENDED:	May 1, 1994
	April 8, 1999
REFILED:	December 19, 2001
AMENDED:	March 1, 2012

Appendix A
WORK COMPLETION CERTIFICATION FORM

R.I. Gen. Laws § 5-38-28 requires that the following Work Completion Certification Form be completed and signed. The return of this form is not a condition of payment, and payment shall not be withheld for failure to complete this form. R.I. Gen. Laws § 5-38-29 requires that each repair bill must contain an itemized listing of the manufactured parts, used parts, and generic parts installed by the Automobile Body Shop in the repair of the vehicle and the repair bill must be furnished to the consumer when the automobile has been repaired.

Section 1
TO BE COMPLETED BY THE INSURER

Consumer Name: _____	Claim Number: _____
Address: _____	Policy Number: _____
	Date of _____
	Accident: _____
Name of Insurer: _____	
Address: _____	

I, _____, representing _____, [insert name of insurance company] have verified the automobile body shop listed below has a valid automobile body shop license in accordance with existing laws.

Date: _____

Signature of insurance company representative: _____

Section 2
TO BE COMPLETED BY THE AUTOMOBILE BODY SHOP

I, _____, a representative of _____ automobile body shop, located at _____, holding auto body license number _____ do certify, under penalties of perjury that I have made the repairs listed on the attached repair bill to the automobile owned by _____.

Date: _____

Signature of automobile body shop representative: _____

Section 3
TO BE COMPLETED BY THE CONSUMER

I, _____, certify, under penalties of perjury, that: CHECK (a) OR (b) OR (c). YOU MUST ALSO CHECK (d) IF DIRECT PAYMENT TO THE REPAIRER IS DESIRED.

- (a) _____ I have not had any repairs made to my automobile as a result of the accident on _____; OR
- (b) _____ All the repairs allowed by the insurer have been repaired by the automobile body shop, and I have paid \$ ____ (may be \$0.) to the automobile body shop, which amount is the deductible amount applicable to this accident; OR
- (c) _____ My automobile has been repaired according to the attached repair bill and I have paid \$ ____ (may be \$0.) to my automobile body shop.
- (d) _____ I hereby authorize payment of \$ _____ directly to the auto body shop identified in Part 2.

IMPORTANT NOTICE TO CONSUMER

IF YOU DO NOT REPAIR ALL OR PART OF THE DAMAGES ALLOWED BY THE INSURER, AND YOU HAVE A SUBSEQUENT LOSS PREVIOUS DAMAGE MAY EFFECT THE SUBSEQUENT LOSS. IF YOU SUBSEQUENTLY REPAIR THE DAMAGE, YOU SHOULD NOTIFY THE INSURER. THE INSURER MAY ELECT TO INSPECT YOUR AUTOMOBILE. NO INSURER OR ITS REPRESENTATIVE MAY MAKE PAYMENT ON A CLAIM TO AN AUTOMOBILE BODY SHOP IF THE SHOP IS REQUIRED TO BE BUT IS NOT LICENSED IN ACCORDANCE WITH R.I. GEN. LAWS § 5-38-1 *et seq*

Date: _____ Signature of Consumer _____

After signing this form return it to [insert name and contact information for insurer.]