

39 : 13-8

4/14/88

LEGISLATIVE HISTORY CHECKLIST

NJSA: 39:13-8

(Auto body repair shops-- attest to repairs due to accidents)

LAWS OF: 1987

CHAPTER: 280

Bill No: A4223

Sponsor(s): Zangari and others

Date Introduced: June 8, 1987

Committee: Assembly: Insurance

Senate: Labor, Industry and Professions

Amended during passage: Yes

Amendments during passage denoted by asterisks.

Date of Passage: Assembly: June 25, 1987

Senate: September 14, 1987

Date of Approval: October 6, 1987

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

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ASSEMBLY, No. 4223

STATE OF NEW JERSEY

INTRODUCED JUNE 8, 1987

By Assemblymen ZANGARI, LOVEYS, Adubato, Marsella, Kelly,
Rafferty and Martin

AN ACT concerning the inspection of certain motor vehicle repairs,
and supplementing Title 39 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. a. When a motor vehicle is repaired by an auto body repair
2 facility as a result of damage to the vehicle and (1) the damage is
3 reimbursable under a policy of insurance under physical damage
4 coverage, property damage coverage, or comprehensive coverage;
5 and (2) the proceeds of the reimbursement are in the form of a
6 negotiable instrument issued by an insurer which is payable jointly
7 to the insured and a lienholder **or lessor**, the auto body repair
8 facility shall provide the lienholder **or lessor** with a statement of
9 the repairs which have been made to the vehicle, which statement
10 shall be attested by an authorized representative of the auto body
10A repair facility. **The statement shall constitute proof to the lien-*
10B *holder or lessor that all repairs have been made by an auto body*
10C *repair facility. A **color** photograph of the repaired vehicle*
10D *shall accompany the statement.**

11 b. In the event that any lienholder **or lessor** should wish to in-
12 spect any motor vehicle to which repairs have been made as pro-
13 vided in subsection a. of this section, the lienholder **or lessor**
14 shall conduct the inspection upon the premises of the auto body
15 repair facility within ***[seven]*** ****[*five*]**** ****seven**** business
16 days ****[of being notified]**** ****after receipt of the notice by certi-**

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted June 11, 1987.**

****—Senate committee amendments adopted August 6, 1987.**

16A *filed mail*** that the repair has been completed. **If an inspection is*
16B *not made by a lienholder or lessor within the* ****[five-day]****
16C *seven-day*** period provided herein, the lienholder or lessor shall
16D *forfeit the right to make an inspection.**

17 For the purposes of this act, “auto body repair facility” shall
18 mean an auto body repair facility as defined in section 1 of P. L.
19 1983, c. 360 (C. 39:13-1).

1 2. This act shall take effect immediately.

INSURANCE—AUTOMOBILE

Requires auto body repair facilities to attest to certain repairs
which are made for damage done in automobile accidents.

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1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. a. When a motor vehicle is repaired by an auto body repair
2 facility as a result of damage to the vehicle and (1) the damage is
3 reimbursable under a policy of insurance under physical damage
4 coverage, property damage coverage, or comprehensive coverage;
5 and (2) the proceeds of the reimbursement are in the form of a
6 negotiable instrument issued by an insurer which is payable jointly
7 to the insured and a lienholder, the auto body repair facility shall
8 provide the lienholder with a statement of the repairs which have
9 been made to the vehicle, which statement shall be attested by an
10 authorized representative of the auto body repair facility.

11 b. In the event that any lienholder should wish to inspect any
12 motor vehicle to which repairs have been made as provided in
13 subsection a. of this section, the lienholder shall conduct the
14 inspection upon the premises of the auto body repair facility within
15 seven business days of being notified that the repair has been
16 completed.

17 For the purposes of this act, "auto body repair facility" shall
18 mean an auto body repair facility as defined in section 1 of P. L.
19 1983, c. 360 (C. 39:13-1).

1 2. This act shall take effect immediately.

STATEMENT

This bill would require auto body repair facilities to provide persons who have a lien on the insured motor vehicle being repaired with a statement listing the repairs to the vehicle and attesting that the repairs have been performed. If the lienholder wishes to inspect the vehicle, it would be required to conduct the inspection on the premises of the auto body repair facility.

INSURANCE—AUTOMOBILE

Requires auto body repair facilities to attest to certain repairs which are made for damage done in automobile accidents.

ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4223

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 11, 1987

This bill provides that after a motor vehicle has been repaired by an auto body repair facility as a result of damage to the vehicle and (1) the damage is reimbursable under an insurance policy and (2) the proceeds of the reimbursement are in the form of a negotiable instrument issued by an insurer which is payable jointly to the insured and a lienholder or a lessor, the auto body repair facility would be required to provide the lienholder or lessor with a statement of the repairs which have been made to the vehicle. The bill further would require any lienholder or lessor who wishes to inspect the vehicle to do so within five business days of being notified that the repair has been completed.

Normally, in cases in which there is a lien on a motor vehicle which has been damaged as the result of an accident, such as in cases in which a car is financed, insurers make out the check or draft for reimbursement to both the insured and the lienholder or lessor; this practice is generally followed for all reimbursement exceeding \$300.00. Therefore, in order for a repair facility to be paid, the lienholder or lessor as well as the insured must endorse the check or draft. The practice of making the check or draft payable to both parties is required by the terms of a policy declaration which appears in all standard auto policies.

Auto body repair facilities have complained that they have had to wait for reimbursement for long periods of time until lienholders or lessors have inspected vehicles which have undergone repairs for damage after an accident. In some cases, repair facilities have alleged that they have had to transport repaired vehicles for long distances so that they could be inspected by a lienholder or a lessor.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4223

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with Senate committee amendments

STATE OF NEW JERSEY

DATED: AUGUST 6, 1987

This bill, as amended, provides that after a motor vehicle has been repaired by an auto body repair facility as a result of damage to the vehicle and: (1) the damage is reimburseable under an insurance policy; and (2) the proceeds of the reimbursement are in the form of a negotiable instrument issued by an insurer which is payable jointly to the insured and a lienholder or lessor, the auto body repair facility would be required to provide the lienholder or lessor with a statement of the repairs which have been made to the vehicle and a color photograph of the vehicle. The bill further would require any lienholder or lessor who wishes to inspect the vehicle to do so within seven business days after receipt of the notice by certified mail that the repair has been completed. If the inspection is not made within the seven-day period, the lienholder or lessor would forfeit the right to make an inspection.