Informational Alert – October 2007
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Choosing a Business to Repair your Hail Damaged Property
House Bill 07-1104

Since the hail storm in Pueblo County on August 23, 2007, the District Attorney’s Office has been receiving inquiries about insurance practices when it comes to selecting a business to make your property repairs.

In a competitive market, which provides the lowest prices and highest quality of commodities and services, an individual should be able to choose a repair business.

HB 07-1104 enacted by the Colorado Legislature this year does just that. It concerns the "referral by an insurance company of an insured to a property repair business".

Basically, the bill "safeguards the public against monopolies, trusts and market barriers," and "fosters and encourages competition by prohibiting unfair and discriminatory insurance practices that impede fair and honest competition".

HB 07-1104 further states that "an insurer or its agent that issues or renews a policy that insures real or personal property shall not directly or indirectly require that appraisals or repairs to the property be made or not be made by a specified repair business." They are not to "represent that the use of, or the failure to use, a particular repair business may result in the nonpayment or delayed payment of a claim; nor are they to intimidate, coerce, threaten or induce by incentive to use a particular repair business for repairs, except that an inducement by incentive does not include warranty or guaranty repairs".

The insurer may provide a list of repair businesses for consideration, but must verbally or in writing disclose to the claimant that the choice or who completes the repairs is up to the claimant.

If you feel that you have a complaint, or have questions about insurance practices, please contact the Colorado Insurance Commissioner at (800)930-3745.

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