

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF COMMERCIAL LICENSING AND RACING & ATHLETICS
1511 PONTIAC AVENUE
BUILDINGS 68 AND 69
CRANSTON, RI 02920**

CONCISE EXPLANATORY STATEMENT

**COMMERCIAL LICENSING REGULATION 15-
Automobile Body Repair Shop On-Site Inspection Standards**

The Department of Business Regulation (“Department”) hereby proposes the adoption of Commercial Licensing Regulation 15, entitled *Automobile Body Repair Shop On-Site Inspection Standards* (“Regulation”) and makes this statement in accordance with R.I. Gen. Laws §§ 42-35-2.3 and 3. This Regulation was proposed by the Auto Collision Repair Licensing Advisory Board (“Board”) pursuant to R.I. Gen. Laws § 5-38-2(b) establishes the Board to “adopt and publish with the prior approval of the [Director of the Department] rules of procedure and other regulations in accordance with the Administrative Procedure Act, chapter 35 of title 42.” The initial proposal by the Board was submitted to the Department in June 2007 and subsequently modified by Department staff. A hearing on the Regulation was held on November 21, 2008. The purpose of this Regulation is to: (i) provide definitions for terms related to automobile body shop conduct during on-site inspections of vehicles; (ii) establish on-site inspection standards relating to automobile body shop conduct during inspection, initial and supplemental motor vehicle damage appraisal, reinspection, and any other reasonable contact by an insurance representative related to the appraisal and/or inspection of the vehicle at issue; and, (iii) provide guidelines and standards to promote efficient and professional on-site inspections of vehicles. This Regulation applies to all automobile body repair shops licensed by the Department and applies to every On-Site Visit by an Insurance Representative. This Regulation also provides a submission process (a non-complaint mechanism) to allow Insurance Representatives to inform the Department of any alleged violations of this Regulation.

Summary Of Post-Hearing Amendments To Proposed Regulation

1. The Title for Section 11 in the Table of Contents was a typographical error and modified to match the actual title of Section 11 in the body of the Regulation.
2. In Section 2, the words “for photographs, vehicle identification number (“VIN”) checks, or other inspection” were deleted in response to comments that the intention of the regulation was to limit the regulation to specific appraisal inspections and the application of the regulation to VIN checks and other inspections had unintended consequences of putting conditions on VIN checks not contemplated by the Board. Additionally, references to VIN checks

were inserted in Section 4 in response to comments that the conditions in Section 4 for Minimum Space Requirements should apply to VIN checks.

3. In Section 2, the applicability of the Regulation to lienholders and owners of the vehicle were deleted in response to comments that the applicability of the regulation to lienholders and owners were not contemplated by the Board and may have unintended consequences of putting conditions on those inspections that may be burdensome on the automobile body repair shops. References to lienholders and owners were consequently removed in Section 3(B), Section 6, Section 7, and Section 9.
4. Section 3(B) also clarifies that the Regulation applied to reinspections of vehicles in the possession of the automobile body repair shop.
5. Section 3(C) was deleted in response to comments that the broad circumstances described in the definition of Professional Manner may have unintended consequences of bringing acceptable behavior within the context of a regulatory violation and should be limited.
6. Section 4 amendments were made consistent with the amendments described in paragraphs 2 and 3 above.
7. Section 6 was amended to clarify that “collision access time” is a separate category of work not adequately described or defined or covered by Section 11 in the Proposed Regulation. Comments were also submitted that Proposed Section 6 of the Regulation should be amended to specifically include “collision access time” as a process that imposes a mandate upon the automobile body repair shop that needs to allow submission of charges similar to that allowed in Section 11 of the Proposed Regulation.
8. Section 7 was amended to provide a mechanism for circumstances that may require suspension of an appraisal or inspection under reasonable circumstances.
9. Section 8(B) was amended in response to comments that requiring a written notice would impose burdens upon the insurance and automobile body repair shop industries.
10. Section 8(C) was amended in response to comments requesting that the Regulation be amended to apply to experts designated by the insurance company and expressly approved by the vehicle owner or their legal representative.
11. Sections 8(D) and (E) were deleted in response to comments that the email and written notice requirements would impose burdensome requirements, and

could not easily be incorporated into the existing business practices by both insurers and automobile body repair shops.

12. Section 11 was amended to clarify that collision access time is also subject to Section 11.