



The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES

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Rep. Keenan, House of Representatives Unanimously Passes Legislation to Preserve the Division of Insurance Board of Appeals

Action Would Codify Independent Board into Massachusetts Statute

BOSTON – Representative John Keenan today announced that the House of Representatives approved legislation that will maintain an independent appeals board for consumers to appeal fault for auto accidents. The legislation, approved 157 – 0, comes on the heels of the Division of Insurance reversing their previous decision to do away with the appeals board.

“This is an example of all branches of state government working together in bipartisan fashion to promote good government practices,” Speaker Robert A. DeLeo (D-Winthrop) said. “This legislation will provide all consumers involved in automobile insurance disputes the right to an independent appeals process.”

“With the House action today, the Legislature intends to codify this decision by passing legislation intended to ensure that consumers will always have recourse when it comes to auto insurance fairness,” said Representative Peter Koutoujian (D-Waltham), House Chairman of the Financial Services Committee. “This bill is a win, win, win – a win for consumers, a win for state revenues and a win for good government.”

“This is a clear win for consumers,” said Representative Keenan. “This bill will go a long way toward ensuring that motorists can appeal an insurance surcharge to an impartial board. Consumers must be given the opportunity to question their insurance companies when they feel they have been aggrieved by an at-fault decision.”

The bill would create via statute, a motor vehicle surcharge Board of Appeals. This would ensure that the current Board of Appeals remained an option for any driver to appeal what they believe was a wrongful determination of a surchargeable incident due to an at-fault accident.

Each year, the Division of Insurance Board of Appeals hears between 40,000 and 50,000 appeals from motorists. Of those, between 45-50% of all appeals are overturned. This accounts for a savings of a minimum of \$400 a year for an individual policy holder and thousands of dollars for family policy owners, totaling a cost savings of \$25-\$40 million for consumers annually.

The bill now heads to the Senate floor for final consideration, which previously gave initial passage to the bill.

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