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Steering By Auto Insurers Targeted

Effort Emphasizes Options For Repairs

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The Auto Body Association of Connecticut and Attorney General Richard Blumenthal highlighted one consumer's nightmare Thursday as they renewed their drive for stronger legislation to stop the steering of consumers to insurers' preferred repairers.

Currently, auto insurers are barred from requiring or requesting that accident victims use network body shops — those on the companies' preferred lists. An anti-steering bill with stronger provisions passed the state Senate last spring but failed to reach a vote in the House before the 2007 session ended.

The association expects this year's proposed legislation will bar insurers from requesting, requiring or even *recommending* that accident repairs be made in a specific shop. Association members want to stop insurers from scaring consumers into using network shops by telling them that if they don't, they'll face delays or more out-of-pocket costs, for instance.

The bill also would require insurers to pay labor costs for repairs that reflect "usual and customary" rates in each area of the state.

"No insurer should straightjacket or corral consumers, forcing them to use a so-called preferred shop," Blumenthal said. The bill, he said, would "preserve consumer choice and industry competition."

Lyn Moreau of Meriden, who appeared at the auto body association's press conference there Thursday, had willingly used her insurer Progressive's concierge service, which sent her crashed Suzuki Forenza for repair at a network shop. Progressive made the process seem so easy, she said in an interview.

The repaired car was returned to her with some small dents and a scratch. So she took it to another body shop — an association member — which spotted some safety issues and referred Moreau for an independent inspection at Jim's Auto Body in Southington.

Jim Voisine of Jim's Auto Body — not an association member — says he found the power steering pump was bent, the drive belt was wearing from rotation of the engine, some structural panels were torn,



and some welds in the rear half of the car were missing.

Moreau said Progressive offered to have the original repairer do more work, but she had lost faith in that body shop.

Association members have long insisted that preferred body shops cut corners to save money for insurers. Insurers say the preferred system means little if any savings for them, but lets them get repairs done more quickly and conveniently — an edge in a competitive insurance market where holding onto customers is important. Faster repairs also mean insurers spend less on car rentals.

Progressive's senior claims manager for Connecticut, Dave Fernandez, said his company agreed that "some items were not repaired properly" on Moreau's car, but did not agree with all the additional repairs proposed by Moreau's shop.

The claim hasn't been resolved, and Moreau, 25, a student at Southern Connecticut State University who also works, had to buy another car.

Fernandez says Progressive offered to buy the car from Moreau but says she wants Progressive to declare the vehicle a total loss so the title will be stamped "salvage" and it won't end up being driven by an unsuspecting consumer. Progressive doesn't consider it a total loss because it was willing to make certain other repairs.

Meanwhile, the insurer stands by its repair network, and the shop that did the original work on Moreau's car is still in the network. Progressive hadn't had problems with the shop, Fernandez said, adding, "We do not keep shops in our network program that have quality issues."

The association-backed legislation would allow insurers to give consumers an alphabetical list of all licensed repairers in their area, not just their preferred shops. That could make it difficult for insurers to maintain the network systems, and that's fine with John M. Parese, an attorney for the auto body association.

"It's all about the insurance companies meddling in the repair process to save money," Parese said.

The association also said the state Insurance Department has not done enough to protect consumers from coercive steering.

"Nothing could be further from the truth," said department spokeswoman Debra Korta. She noted that in December, the department distributed posters to more than 4,000 repair shops and garages asking that they be displayed for consumers to inform them of their rights.

One of the posters says consumers can have cars repaired at any auto body shop. The other says that if there's a dispute between their insurer and repairer about the cost of fixing a vehicle, assistance is available through the department.

"The department investigates all complaints, whether from consumers or auto repair shops," Korta said. "Actions are taken when violations are found."

She also said the department reconfigured its independent arbitration program as a means of resolving matters when there is a dispute between repairers and insurers over the costs of certain claims.

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