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**TESTIMONY OF
THE AUTO BODY ASSOCIATION OF CONNECTICUT
CONCERNING
HB-5298, AN ACT PROHIBITING INCENTIVES FROM AUTOMOBILE GLASS
REPAIR SHOPS
BEFORE THE
INSURANCE & REAL ESTATE COMMITTEE
MARCH 2, 2010**

The Auto Body Association of Connecticut (ABAC), a statewide trade association of professionals dedicated to the advancement of the collision repair industry, through safe quality repairs for Connecticut consumers, respectfully submits the following comments concerning HB-5298, An Act Prohibiting Incentives From Automobile Glass Repair Shops:

The ABAC would like to thank Committee for the opportunity to comment on HB-5298. With regard to the bill before you today, the ABAC has several concerns. The ABAC is concerned that there are many pieces of the bill which may impact the underlying anti-steering statute that are vague and unclear. Last session, the Chairs and members of this Committee helped pass landmark legislation, Public Act 09-237, which helped further protect Connecticut consumers and strengthen the state's anti-steering laws.

If it is the position of the legislature to regulate gifts and incentives in situations involving insurance companies and automobile glass repair shops (indeed, there are many instances of insurance companies forwarding work to certain glass repair shops who in turn give preferred rates), it would only seem fitting to similarly address situations involving auto body repair shops. In other words, the ABAC would be wholly supportive of legislation to prevent adjusters and appraisers from getting gifts for "steering" work to direct repair shops. It is the ABAC's understanding that many companies offer incentive programs to adjusters for steering work to direct repair shops (i.e. gift cards, prizes, etc).

Additionally, the ABAC is unclear as to the intent behind the insertion of the word "employee" in line 13 of the bill. The ABAC is concerned that this arguably may serve to strengthen the idea that appraisers could or somehow should be "employees" of an insurance company. This would contradict existing regulations, which require appraisers to be "independent" of insurance companies. (Additionally, it should also be noted that the existing appraiser regulation already covers the topic of gratuities, etc.) On the other hand, taken at face value, the insertion of the word "employee" would seem to further clarify and strengthen applicability of the existing anti-steering law, something which the ABAC supports.

Please do not hesitate to contact the ABAC should you have any questions about this bill or other legislation impacting the collision repair industry. Thank you for your consideration of our comments.

The Auto Body Association Of Connecticut
104 Cheshire Rd.
Prospect, CT 06712
(203) 767-5731
www.abaconn.com