

February 26, 2012

The Honorable Joseph Crisco
Chair, Insurance and Real Estate Committee
Legislative Office Building, Room 2800
Hartford, CT 06106

The Honorable Robert Megna
Chair, Insurance and Real Estate Committee
Legislative Office Building, Room 2802
Hartford, CT 06106

Re: Bill No. 5231

Dear Chairman Crisco and Chairman Megna:

My name is Brian DiMasi and I am senior corporate counsel with Safelite Solutions. Safelite Solutions provides third party administration services on behalf of many of the top insurance companies, providing a valuable service to thousands of Connecticut consumers.

I write to express my concerns with many of the allegations made against Safelite Solutions over the years which have led to the introduction of bills such as Raised Bill 5231, bills whose unintended consequences hurt consumers.

On average, vehicle glass damage occurs once every seven years, so Connecticut consumers *rely* on their insurers to help them during what can be a difficult time. Not only did they experience damage to their vehicle which can be traumatic, they have to submit an insurance claim which can be a hassle, and oftentimes the vehicle glass damage needs replaced or repaired very quickly. Quite simply, our goal is to provide the best vehicle glass claims experience to every Connecticut consumer, each and every time. While we are not perfect, we strive to be. In about seven minutes, the consumer's claim detail is submitted, insurance coverage is verified, and the consumer selects any shop of their choice. Connecticut consumers rave about the vehicle glass claims service they receive from Safelite Solutions.

So What is the "Problem" 5231 is Intended To Solve?

Like most states, current Connecticut law prohibits insurers from requiring policyholders use a particular repair shop. However, despite existing law, claims of "steering" remain the rallying cry for bills like 5231 which go well beyond addressing allegations of "steering". So who makes the claims of "steering"? Consumers? No. It is competitors who simply feel it is "unfair" that Safelite Solutions has an affiliate business, Safelite AutoGlass, and seek to "level the playing field" through legislation.

It is easier to make allegations than to prove them. Safelite has never been afforded the opportunity to address *specific* allegations from Connecticut consumers that give rise year after year to bills such as 5231. Safelite Solutions records every telephone call, so it would make sense that anyone making allegations of “steering” would provide details so that we can pull the call recording to prove or disprove the allegation. Unfortunately, every request we have made of our competitors, the supporters of 5231, to provide actual consumer complaints of “steering” have been ignored. Rather, general and unsubstantiated allegations continue to form the basis of support for bills like 5231.

Safelite is accused of being an “international” company with no connection to Connecticut. Our 144 Connecticut employees and their families at our locations in Bridgeport, Danbury, East Hartford, New London, North Haven, Stamford, Torrington, Waterbury, Willington and West Hartford would respectfully disagree. We are a company looking to expand in Connecticut, adding locations and well-paying jobs, but with legislative uncertainty created by bills like 5231, we are forced to put those plans on hold.

Unintended Consequences of 5231

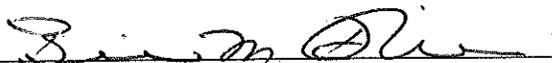
- Notice Provisions: Generally speaking, Safelite does not take issue with “notice” provisions which inform consumers of their right to choose a repair shop. However, most statutes which require a certain size font do not reflect the emerging technologies such as handheld mobile devices. The spirit and intent of these provisions is clear -- it is intended to stand out to the consumer and not become “fine print” on a traditional 8 ½ x 11 repair estimate. In the age of mobile hand-held wireless technology, wireless devices including mobile printers, make the 10-point font requirement outdated.
- Listing 5 shops within 30-miles when a customer has no preference for a glass shop: This requirement is problematic for several reasons.
 - Consumers rely on their insurance company to refer them to a good and reputable business. To *require* the insurer to offer 5 different shops restricts the insurer’s ability to offer reputable shops and also creates ambiguity as set forth below.
 - Some shops within a 30-mile radius may not have the capacity and/or part availability to serve the customer. The customer then would have to call back and try again. This is poor customer service.
 - Which shops will be part of the 5? Insurers and TPAs will get accused of “steering” if some shops complain that they are not one of the “five” shops.
 - Keeping track of all licensed shops, their locations, relocations, and completely altering IT systems and scripting would add significant expense which ultimately hurts consumers.
 - There are consumer benefits to using a “network” shop versus a non-network shop. How would the insurer or TPA address network versus non-network shops?

Would all shops need to be part of the 5? If insurers are required to provide the name of a non-network shop, and service is poor, the customer loses.

- Some insurers offer their policyholders the convenience of filing claims online. Requiring the listing of 5 shops would require *significant* IT system changes that will add significant expense.
- What about the consumer who is *not* from Connecticut, but is passing through? His or her “residence” could be Arizona, making the statute unworkable.
- Shops will argue that because they are within say 2 miles of the “residence”, they should be listed before another shop that is 25 or 30 miles from the “residence”.
- The 30-mile radius of the “residence” provision does not take into account the fact that the customer may want *in-shop* service or mobile service to their office that falls outside 30 miles from their “residence.” Also, what if the location for mobile service is closer to certain shops than the “residence” of the customer?
- The requirement to provide 5 shops does not take into account which shops can perform repairs, which shops perform replacements, which can perform both, which can repair “long” cracks and which cannot. This would present significant logistical challenges in maintaining separate and distinct lists of shops based on their qualifications. This would also require significant IT system changes which add significant expense.

Thank you for the opportunity to submit written comments to 5231. We would welcome the opportunity to discuss these issues with the Committee and others in the industry in crafting legislation in this area, which promotes the interests of consumers of vehicle glass repair and replacement services. However, 5231 is something we cannot support. It hurts consumers, adds cost and expense to the claims process, it fails to address real problems which face the vehicle glass industry in Connecticut, and current law already protects consumer choice.

Very truly yours,

By: 
Brian M. DiMasi