

## ***Statement***

### ***Insurance Association of Connecticut***

Insurance and Real Estate Committee

February 28, 2012

#### **HB 5231, An Act Concerning Automotive Glass Work**

The Insurance Association of Connecticut (IAC) opposes HB 5231, An Act Concerning Automotive Glass Work, which would place nonsensical and unnecessary requirements on auto insurers in their relationship with their insureds.

In subsection (d)(1), HB 5231 would require auto insurers, their agents, adjusters and third-party administrators, to provide notice to the insured, in any written or oral communication with the insured regarding auto physical damage repairs or glass replacement or repair, that the insured has the right to choose where the vehicle is repaired. Such a requirement will have absurd consequences.

Currently insurers and third party administrators fully inform insureds that they have the right to take their car wherever they want to get repaired when they are contacted regarding a damage claim. State statutes already require written notice of the consumer's right to choose on appraisals, insurance ID cards and signs in repair shops. Consumers are clearly exercising their right to choose. The Insurance Department is not receiving complaints from consumers regarding these issues. There is no need for subsection (d)(1).

More than that, HB 5231 would require repeated and redundant written and oral notices to insureds, as each time any insurer, adjuster, agent, or third-party

administrator communicates with the insured regarding a repair claim, for any reason, that person will have to state the prescribed notice. The choice of shop could have been made weeks ago, but HB 5231 will nonetheless require the parroting of the statutory notice statement regarding your right to choose where repairs will be made. Subsection (d)(1) will only serve to confuse consumers.

Subsection (d)(2) would require insurers, their agents, adjusters and third-party administrators to provide an insured with the names of five licensed auto repair shops or glass shops, as the case may be, that are within thirty miles of the insured's residence if the insured does not specify a particular shop for the repairs. Such a requirement is neither practical nor beneficial to the insured, and should be rejected.

Subsection (d)(2) would unnecessarily delay the claims process as the determination would have to be made, for each person, which five shop names will be provided, based on residence and a thirty-mile radius. Considerable time and money will have to be spent to attempt to meet this requirement for each person. In addition, auto body shops and glass shops are not static populations—they open for business, they shut down, they move. How is the insurer, adjuster, agent and third party administrator supposed to keep track of that?

By giving a list of five shops to the insured, the false implication will be created that the insurer, employer, adjuster, agent or third-party administrator recommends or endorses such shops when in fact they may have no knowledge of the shop, the quality of work done there, the manner in which it treats its customers, or its capacity to do the work in question. Each shop's only necessary qualification under HB 5231 is location. Such a list provides no real benefit to the consumer. The insurer should not be put in

the position of having its relationship with its insured compromised by the potential malfeasance of such a shop.

What happens if the insured incurs the damage in another state? Why should five Connecticut shop names be provided? What if the insured's residence has no relationship to where in the state the insured wants to get the vehicle repaired? What sense does this make with glass repairs/replacement, which are often done on a mobile basis? All subsection (d)(2) will serve to do is confuse the insured and unnecessarily complicate and increase the costs of the claims process.

In section 2, HB 5231 would amend existing statutory notice of choice requirements to include a reference to glass shops on insurance identification cards. Besides the administrative cost and hassle of such a change, we would point out that the current notice text refers to "licensed repair shop". The normal usage and assumed meaning of that term to the public would certainly include glass shops, as they are part of what would be considered "licensed repair shops". There is no need for such an amendment.

HB 5231 would only serve to establish confusing and counterproductive requirements on auto insurers, to the detriment of their insureds. IAC urges rejection of HB 5231.