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PLEASE REPLY TO NEW HAVEN

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February 27, 2012

Senator Joseph J. Crisco, Jr.,
State Representative Robert W. Megna
& Members of the Insurance and Real Estate Committee
Room 2800, Legislative Office Building
Hartford, CT 06106

Re: **HB-5231**
An Act Concerning Automotive Glass Work

Dear Senator Crisco & Representative Megna:

I hope this letter finds you well. As you may recall, I am an attorney and serve as legal counsel to the Auto Body Association of Connecticut (ABAC). I write to express grave concerns about the above bill. I fear that passing this legislation would have the unintended effect of undoing many of the consumer reforms enacted over the past five years.

By way of brief history, in 2008, the legislature amended § 38a-354 to require insurers to advise claimants that they had the right to choose the repair shop of their choice. This important reform was inspired by the prevalence of deceitful insurer steering and its adverse consequences on the motoring public. The law was a good first step toward taking insurer interference out of the collision repair process. Insurance steering occurs because it helps the insurance companies dictate repair processes, impose the use of junk parts, mandate faster cycle times and impose a myriad of cost cutting measures to minimize repair costs. Minimizing costs generally means fixing vehicles on the cheap and utilizing parts and processes contrary to manufacturer recommendations.

This is problem that requires oversight because most consumers are incapable of distinguishing between a quality safe repair, and a poor unsafe repair. When the insurer is calling the shots, its contract shop is pressured not by a demand for higher quality and safer repairs, but instead by a relentless pressure to generate more cost savings – for the insurer,

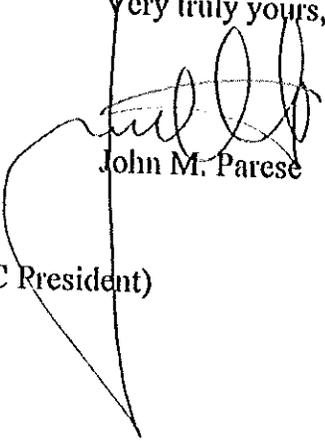
often at the expense of the unwitting consumer. The ABAC has seen first hand the consequences of insurer interference in the auto body repair process. There are two primary losers: the consumer and the body shop. The only winners are the insurers and their investors who benefit from a clever scheme to take in the same premium dollars with significantly reduced claim payout.

The proposed bill (specifically § (d) (2)) will weaken consumer protections by allowing insurers to more aggressively steer business to their contract shops. Steering is a major problem for this state's motoring public. I humbly submit that any and all reforms in this market should have an eye toward curbing insurer steering. The proposed bill would actually encourage and potentially legitimize steering. Thus, it is a step in the wrong direction.

For all of these reasons and my fear of putting more control in the hands of insurers to cut corners and push unsafe repairs, I respectfully write in opposition to this bill.

Thank you, as always, for allowing me the opportunity to share my thoughts. If you should wish to discuss this in more detail, please feel free to contact me.

Very truly yours,


John M. Parese

c: Robert Skrip (ABAC President)