

## STATEMENT

### AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION (APCIA)

### **S.B. No. 332 – AN ACT PROHIBITING CERTAIN VEHICLE STORAGE AGREEMENTS AS A PRECONDITION TO VEHICLE TOWING**

### TRANSPORTATION COMMITTEE

**March 9, 2022**

The American Property Casualty Insurance Association (APCIA)<sup>1</sup> appreciates the opportunity to comment on Senate Bill No. 332, An Act Prohibiting Certain Vehicle Storage Agreements As a Precondition to Vehicle Towing. With members comprising nearly 60 percent of the U.S. property casualty insurance market, APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association.

APCIA strongly supports this legislation because it will ensure that vulnerable consumers are not coerced into agreeing to an extended vehicle storage period and corresponding storage charges in conjunction with the towing of their vehicle. Current law prohibits a towler from requiring that a consumer sign an agreement to repair a vehicle or conduct an estimate on a vehicle as a condition of services, and this bill would add agreeing to more than 24 hours of storage to these consumer protection provisions. Having to have a vehicle towed can be a stressful situation particularly if the driver is under pressure from law enforcement to get the vehicle off the road and this bill will help to ensure that consumers in this situation will not be coerced into agreeing to excessive vehicle storage periods and charges.

Abusive vehicle towing and storage practices cost consumers millions of dollars each year and excessive storage rates are one of the most frequent problems that insurers encounter. This bill would help to address this problem and protect consumers from abusive practices.

For the foregoing reasons, APCIA urges your Committee to favorably advance this bill.

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<sup>1</sup> Effective January 1, 2019, the American Insurance Association (AIA) and the Property Casualty Insurers Association of America (PCIAA) merged to form the American Property Casualty Insurance Association (APCIA). Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.