



Statement of The Insurance Association of Connecticut

Transportation Committee

March 9, 2022

SB 332 – An Act Prohibiting Certain Vehicle Storage Agreements

As A Precondition to Vehicle Towing

I am Brooke Foley, General Counsel of the Insurance Association of Connecticut (IAC). The IAC is a state-based trade association representing Connecticut's property and casualty insurance industry, and Connecticut's life insurance and financial security industries.

The IAC supports SB 332.

Subsection (b) of section 14-66 currently prohibits a wrecker owner or operator from requiring a vehicle owner to sign a contract or order to repair the vehicle as a precondition for towing the vehicle. SB 332 would amend the statute to also prohibit a wrecker owner or operator from requiring a vehicle owner to sign a contract that requires the owner to pay for more than twenty-four hours of vehicle storage as a condition for towing the vehicle.

The IAC supports this bill because more than twenty-four hours of storage is often unnecessary. Requiring a consumer to consent to pay for storage that may not even be necessary before the vehicle is towed is coercive to vehicle owners and serves no other purpose than to drive profits for tow vendors. This practice increases the cost of services, which in turn causes an increase in insurance premiums for consumers.

The IAC also respectfully requests language be added to the bill to prohibit a tow vendor from requesting a vehicle owner to sign anything, whether a consent to tow or a repair order, at the scene of an accident or within 24 hours of an accident. Section 14-66 has authorized the Commissioner to require a set schedule of uniform rates for “nonconsensual” towing and transporting of vehicles. Requiring a vehicle owner to sign anything often means the tow is considered a “consensual” tow, which allows the towing vendor to charge towing and storage rates far above those set by the Commissioner for nonconsensual tows.

Although many towing and storage vendors in Connecticut do the right thing, there are unfortunately vendors that do not. Some shops take advantage of consumers who are shaken and confused after being involved in a motor vehicle accident. They present consumers with lengthy and unfamiliar documents at the scene of an accident and convince or coerce them into signing them. Because consumers are under the misconception that a signature is required for the tow, they sign the documents and waive protections they would have otherwise been afforded.

It is also common for these shops to begin repairs on a vehicle, which in many cases, is an obvious total loss. Frequently, these “repairs” include scans which are completely unnecessary. Also, when the insurer becomes involved, these shops routinely delay the insurer’s ability to inspect and move the vehicle, which further increases the storage charges. The consumer ultimately suffers from the corresponding increase in insurance premiums.

For the foregoing reasons, we urge the committee to adopt SB 332. Thank you.