



May 18, 2021

The Honorable Joseph J. Solomon, Jr.,
Chairperson House Committee on Corporations
Rhode Island State House
82 Smith Street
Providence Rhode Island 02903

RE: H6324 Relating to Insurance-Unfair Claims Settlement Practices Act

Dear Chair Solomon,

I am writing on behalf of the Auto Body Association of Rhode Island in support of H-6324, sponsored by Representative O'Brien, which would make amendments to the Unfair Claims Settlement Practices Act. The Auto Body Association is a statewide professional association committed to a rigid code of ethics. We ensure the integrity of the collision repair industry and serve the public through honesty, quality, and service.

The provisions in the Unfair Claims Practices Act are designed to protect consumers. We are in support of this legislation because it will codify protections for the consumer which are common in the auto body industry, but not followed by some insurance companies.

H-6324 would codify the practice of requiring insurance companies to be responsible for the cost of a customer's repairs as outlined in automotive industry software programs such as Mitchell's, RMC, PMC Logic, Paint, Micromix, or a paint manufacturer's program in their entirety. Responsible insurers do this, but some companies pick and choose which expenses to pay in those programs or use insurance industry programs. The compilations used by the automotive industry are readily available to all parties whereas, the insurance industry compilations are not. Insurance companies use the automotive industry valuations to set rates they charge consumers. They should not be allowed to select a less expensive rate from non-transparent insurance industry valuations to pay a claim.

In cases where an insurer deems a vehicle a total loss, sometimes the insurer will take the vehicle to sell it for salvage. However, in cases where they do not retain the vehicle the owner is not always aware of their responsibility to dispose of it, or the cost of doing so. This legislation would protect consumers by requiring insurers to obtain the owner's consent and acknowledgement of the additional costs they will incur.

Lastly, with automobiles becoming more complex, specialty services are sometimes needed in the overall repair process. Auto body shops must pay these vendors and the insurer is expected to reimburse the auto body shop for the necessary service and an industry standard markup. Most insurers follow this practice. H-6324 would codify this and make these responsibilities between the parties clear.

Very Truly Yours,

Anthony J. Victoria

Anthony J. Victoria
President, Auto Service Auto Body

CC: Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker