



May 19, 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
H6325 Relating to Insurance-Motor Vehicle Replacement Parts

Dear Representative Solomon and Members of the House Corporations Committee:

Thank you for allowing me this opportunity to participate in the legislative process and provide comment regarding my support of House Bills 6324 and 6325 which provide additional consumer protection for vehicle owners when seeking collision repairs.

Today's vehicles are considerably more advanced than vehicles of only a few years ago and the necessary steps involved in the repair process to return a vehicle to a safe, roadworthy condition as it was before a collision continues to evolve. Because the average consumer does not have the expertise or familiarity with the necessary materials and procedures involved in the repair of their vehicle, legislation such as the Unfair Claims Practices Act serves a critical consumer protection role to ensure a safe and proper repair.

Many insurance carriers aim to provide both their insureds and third-party claimants with a high quality and safe repair. However, unfortunately there are also some insurance carriers that continue to cling to past industry practices and the "old" way of doing things to keep repair costs as low as possible instead of properly compensating a shop or customer for the necessary operations.

Certainly, there is no dispute that all insurers operate a business and must control costs to remain viable. However, the issue that arises, and which House Bills 6324 and 6325 would protect the consumer from, is when certain insurers arbitrarily prioritize company cost saving measures over original equipment manufacturer (OEM) repair practices that must be adhered to for a safe and proper repair. Consumers buy insurance to be made whole after an accident, which for today's modern vehicles, often involves bringing the vehicle to the dealer or other sublet provider for the recalibration of driver safety systems etc. When an insurer refuses to pay for such services, they are simply not fulfilling their obligation to the vehicle owner and interfering with the repair process. The same is true if an insurer uses non-transparent or inaccurate valuations to select less expensive rates for paint and materials and/or will pay no more than the price of a used part that may or may not be suitable that the insurer located outside the geographic region from a vendor not used in the normal course of business.



H-6324 and H-6325 would simply codify the standards most Insurers already adhere to and remove any ambiguity as to the responsibilities of an insurer when paying a claim.

Thank you in advance for your consideration of these important issues. If I can answer any questions or provide any further information, please do not hesitate to contact me at 401-467-4800.

Respectfully submitted,

Kyle A. Rocha