

# Blumenthal: Insurers steer repairs

**By Cara Baruzzi**

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State Attorney General Richard Blumenthal is asking federal authorities to investigate whether property casualty insurance companies are illegally forcing or steering consumers to patronize certain shops for car repairs.

Blumenthal alleges that the practice occurs frequently, and it may violate federal law as well as deny customers the right to choose where they have repairs done.

Backed by members of the Auto Body Association of Connecticut, the attorney general said Tuesday he is asking U.S. Attorney General Eric Holder Jr. to investigate.

Blumenthal is seeking to enlist other attorneys general in the cause, and said he is sending Holder petitions from auto repairers in 48 states.

"Practices pressuring consumers to use insurers' preferred repair shops suppress consumer choice and disregard legal duties," Blumenthal said in a statement. "We're asking the federal government for an immediate review and remedy to stop coercive and deceptive tactics. Effective enforcement is critical."

He did not cite any specific insurers.

Representatives of the Property Casualty Insurers Association of America, the Illinois national trade group for the industry, could not be reached for comment.

When insurers steer customers to preferred repair shops it violates an agreement reached between the U.S. Department of Justice and insurance companies in 1963, according to Blumenthal and Bob Skrip, president of the auto body association.

Blumenthal said that long-standing

agreement ordered insurers to stop sponsoring any appraisers, directing or suggesting that any person or firm do business with any repair shop, and fixing or otherwise controlling the prices charged by repair shops.

Yet insurance companies continue to influence appraisers, set labor rates that repair shops must use, and steer customers to "preferred" repair businesses, he said.

The practice infringes on consumers' rights to choose where they want to have work done, said Skrip, who owns Skrip's Auto Body in Prospect.

The association, a consumer advocacy group that aims to advance the collision repair industry, has been circulating a petition among sister organizations nationwide.

The petition being sent to Holder says, in part: "Conditions in the collision repair market are out of control. Consumer rights are being trampled and independent repair shops are being put out of business. The repair industry and the millions of consumers services by it are suffering from the lack of legal enforcement. We need your help."

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