



Property Casualty Insurers
Association of America
Shaping the Future of American Insurance

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Fast Moving Legislation Could Impose Auto Body Repair Tax on Rhode Island Consumers

PROVIDENCE, R.I. – The Property Casualty Insurers Association of America (PCI) is urging members of the Rhode Island House to oppose auto body repair legislation that could increase costs and make the auto body repair process more inconvenient for consumers.

The Rhode Island House is considering HB 5892A which adds to the hassle of getting a car repaired by requiring, under the guise of consumer protection, the additional step of an independent appraisal in the repair process.

“This legislation in essence imposes an Auto Body Tax on already hard pressed Rhode Islanders,” said Frank O’Brien, vice president and regional manager for PCI. “Practically all repairs would need this extra step, adding time and cost to a repair process that is already the costliest in the country. No other state does this and neither should this one.”

Currently, Rhode Island is the most expensive state in the nation to get a car repaired and this bill only contributes to the high costs associated with auto body repairs. This legislation is being promoted by the Auto Body Association of Rhode Island (ABARI) and is part of an effort to advance legislation designed to attack body shops that participate in insurer-sponsored direct repair programs by requiring the smokescreen of a costly and unnecessary appraisal process.

“Over the past several years ABARI has been chipping away at consumer choices and repair options that would control costs,” said O’Brien. “Their agenda denies consumers the basic right to handle auto body repairs the way they want – and that includes allowing insurers to streamline the process and reduce repair costs in such a way that helps contain future premium costs. We are encouraging lawmakers to oppose this legislation which will result in delayed repairs, higher costs, and frustrated consumers.”

PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write over \$176 billion in annual premium, 35.9 percent of the nation’s property casualty insurance. Member companies write 43.8 percent of the U.S. automobile insurance market, 29.6 percent of the homeowners market, 32.8 percent of the commercial property and liability market, and 38.4 percent of the private workers compensation market.

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