



# Press Release

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## FOR IMMEDIATE RELEASE

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## SCRS Responds to Article on Insurer Involvement in Setting Rates

*Prosser, Washington, January 2, 2012*— In a letter released December 20th, 2011, the Society of Collision Repair Specialists (SCRS) provided commentary on an article written by USA Today contributing editor, Adam Belz, and entitled, [Auto body shops say they, not insurers, should set costs](#).

The letter from SCRS counters points raised in the initial article, and provides information supporting the assertion that the property & casualty insurance industry's direct influence over collision repair market pricing, has impacted both the consumer and the small businesses that make up the collision repair industry. Several key components of the letter identify that:

- Property and casualty insurance carriers have become increasingly involved in activities that extend beyond the business of insurance, while interjecting themselves into collision repair business activities.
- The responsibility to compensate for fair and reasonable costs of the loss is significantly different than defining what is fair and reasonable.
- Average gross collision appraisal values have remained stagnant comparing the first and third quarters of 2009, 2010 and 2011, and older data indicates that the average appraisal value has remained flat for at least the last 7 to 8 years; meanwhile, consumer auto insurance premium costs continue to rise and the Insurance Information Institute recently reported that private auto insurance is the most profitable line of insurance coverage in the United States.
- The insurance industry's approach to establishing a singular prevailing labor rate charge for all businesses within a market fails to recognize the existence of reasonable variance between competitive businesses.
- When the repair shop has entered into both the DRP contract with the carrier, and an authorization to repair contract with the vehicle owner, it is not necessarily as simple as insurers "promoting poor quality work," but it becomes a question of who has more influence over the repair facility's decision making in the repair process, and whose interest drives those decisions.

In summary, the association states that, "the question is not IF insurance carriers directly impact collision repair market pricing, but rather IF their approach and purpose is appropriate. Are we really talk-

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ing about saving consumer's money, or are we talking about increasing insurance company profits at the expense of their policyholders and the small businesses who serve them?"

To read the full letter, [click here](#).

***About SCRS:*** Through its direct members and 38 affiliate associations, SCRS is comprised of 6,000 collision repair businesses and 58,500 specialized professionals who work with consumers and insurance companies to repair collision-damaged vehicles. Additional information about SCRS including other news releases is available at the SCRS Web site: [www.scrs.com](http://www.scrs.com). You can e-mail SCRS at the following address: [info@scrs.com](mailto:info@scrs.com).

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