



Press Release

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SCRS Hosts First-Ever “Insurer Town Hall Forum”

Prosser, Washington, May 18, 2006 - Top claims executives from three insurance companies answered questions on a range of topics during the first-ever “Insurer Town Hall Forum” (Forum) hosted by the Society of Collision Repair Specialists (SCRS). “We wanted to give our members the opportunity to question, and hear directly from, key decision-makers within some of the leading insurance companies in the country,” said event moderator and SCRS Executive Director Dan Risley.

Three insurers – State Farm, AIG Personal Lines and Infinity – participated in the session, held in Portland, Oregon, immediately prior to the Collision Industry Conference (CIC).

There was a tremendous amount of information communicated throughout the two-hour event. The following excerpts were responses from the panelists in regards to their respective direct repair programs and a sample of the information shared.

- Roger Wright, Vice President of Claims for AIG Personal Lines, said the company expected the percentage of its claims handled through the direct repair program to increase to about 20 percent (up from 14 percent) by the end of this year, without much if any, increase in the number of shops in the program. He said the company uses a target of at least \$150,000 a year in work to a shop when determining when and where to add shops to its program, which offers a higher compensation rate for shops meeting specific performance levels. He predicted that more insurers, however, will shift to a model in which they place their own staff estimator into shops.

- Bill Dibble, Vice President of Claims for Infinity Insurance, said his company markets itself to the Latino market and tries to find shops that cater to that market to include in its direct repair program. Three-person teams in each of the company’s divisional areas make the decisions about which shops will participate in the program. The company offers a higher-priced policy for those who wish to use a shop not involved in the company’s direct repair program. He predicted that customer satisfaction indexing will increasingly be used within the insurance industry.

- George Avery, Claims Consultant with State Farm, said the percentage of its claims that go through its Service First® and Select Service® programs range by market from about 10 percent to as much as 90 percent. Nationally, the average is 63 percent. Under the new “Select Service” program being tested in three states, repair facilities will receive cycle time and other performance reports through the information providers that will show the repair facility’s performance on State Farm claims relative to the rest of the market.

“Our goal for this Forum was to gain some insight as to where a few of the leading insurers in the country felt the industry was headed from their perspective and what the future held in regards to potential changes in the claims industry. Hopefully, those in attendance found it insightful,” stated Tom

Moreland SCRS Chairman. “We appreciate these insurers’ willingness to participate in this event and openly share information with our members. Regardless as to whether or not a shop participates in a given direct repair program, repairers interact with insurers on a daily basis. It’s important those lines of communication remain open, thus exemplifying our motto of Working Together Is The Most Important Work We Do,” furthered Moreland.

Through its direct members and 31 affiliate associations, SCRS is comprised of 5,000 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. You can e-mail SCRS at the following address: info@scrs.com.

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