



Press Release

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FOR IMMEDIATE RELEASE

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SCRS RESPONDS TO TEXAS VERDICT ON INSURED-OWNED SHOPS

Prosser, Washington, March 17, 2006 — The Society of Collision Repair Specialists (SCRS) is pleased with the decision rendered by the courts in Texas. Clearly, the consumers' best interests were not being served as testimony in this case which indicated that nearly 60% of these insurer-owned shops were performing below the standards established for their Direct Repair Program (DRP) partner shops. The evidence supported the outcry of a conflict of interest as collision repairers in Texas were not able to compete in a fair marketplace against the insurer-owned collision repair facilities. One example of what we feel are extreme abuses of sound business practice is where testimony in this case indicated that Allstate insurance had allegedly removed a select group of PRO shops within a 10-mile radius of their company-owned Sterling repair facilities. In addition, the sharing of pertinent confidential competitive data (i.e. labor rates) of their DRP partners in that market offers tremendous concern for working to minimize competition. This practice raises questions of antitrust as well as restraint of trade.

Although SCRS continues to maintain the fact that it should not make a difference who owns a given collision repair facility, provided everyone is able to compete on a level playing field, this verdict provides evidence that at least one insurance company inhibited a free and open marketplace and limited the customers' right to choose where to have their vehicle repaired.

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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