

# WISCONSIN INSURANCE ALLIANCE

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## MEMORANDUM

To: Members of the Wisconsin Legislature

From: Wisconsin Insurance Alliance, Eric Englund

Date: June 26, 2007

Subject: Direct Repair Programs  
AB 353 and SB 181

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On behalf of our members, we respectfully request that you oppose the captioned legislation, which will impose artificial constraints on auto insurers who seek to find more efficient ways to have automobiles involved in accidents repaired.

Last year your constituents spent well over \$2,000,000,000 to purchase automobile insurance. In doing so they paid some of the lowest cost for automobile insurance in the entire United States. A significant portion of that money is spent by auto insurers to repair vehicles involved in auto accidents.

Auto insurers, who are involved in paying claims for auto repairs, continue to evolve programs that assure consumers of timely and quality repairs at competitive cost. Amongst the over two hundred insurance companies authorized to sell auto insurance in Wisconsin, there is a varied of Direct Repair Programs (DRP) that have evolved. While each company's DRP is different, their goals are the same:

- Provide timely repair of damaged vehicles
- Provide quality control in the repair of damaged vehicles
- Provide cost effective repair of damaged vehicles.

Many of these DRP programs pre-certify auto repair shops. Consumer surveys of those participating in DRP programs consistently show a high degree of customer satisfaction. AB 353 and SB 181 create an artificial barrier to the continued evolution of these repair programs. This legislation is classic "fence me in" special interest legislation for a group that is uncomfortable with the evolution of competition in their business. While these bills are portrayed as providing "consumer choice"... the fine print of the legislation sets forth a methodology, which prohibits consumer choice and denies your constituents access to information on options available in having their automobiles repaired.

Whether your "doing doors" or speaking at a Rotary Club, Wisconsin consumers are not complaining about auto insurers inappropriately steering them to repair shops where they get substandard repair.

We respectfully request that you oppose this legislation.

If you would like additional information, please feel free to contact our office.