



AASP-MN BILL PROHIBITING ESTIMATING DATABASE MANIPULATION SIGNED BY GOVERNOR

On May 8th, Minnesota Governor Tim Pawlenty signed into law legislation proposed by the Alliance of Automotive Service Providers, Minnesota (AASP-MN). Senate File 3508/House File 3822 prohibits insurers from unilaterally and arbitrarily disregarding a repair operation or cost identified by an estimating system. The legislation will become effective on August 1, 2008.

Minnesota Statutes 2007, section 72B.092, subdivision 1, is amended to read:

Prohibitions on insurer. No adjuster or insurer, director, officer, broker, agent, attorney-in-fact, employee, or other representative of an insurer shall in collision cases:

- unilaterally and arbitrarily disregard a repair operation or cost identified by an estimating system, which an insurer and collision repair facility have agreed to utilize in determining the cost of repair.

“Collision shops simply want to know that when they are required to incur the cost of using certain estimating systems, that the results of those systems will be respected in terms of the repair procedures they undertake and the payments they receive,” states Judell Anderson, AASP-MN Executive Director.

“Under this bill, insurers will no longer be able to selectively use these estimating systems,” she added.

The estimating database bill was one of three proposals advanced by AASP-MN during the 2008 Legislative Session. The two other bills, one which established a licensing program for collision repair shops and the other which prohibited insurers from owning repair shops, were heard and approved in the House Commerce Committee, but did not meet deadlines for additional committee hearings. These issues will be carried over to the Association’s 2009 agenda.

In addition, AASP-MN warded off a measure to reduce the threshold for disclosure of motor vehicle damage from 70% to 60% of the cash value of the vehicle prior to sustaining damage. This legislation would have been detrimental to the collision repair industry by increasing the number of vehicles designated as “total loss.”

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