

# Press Release



For Immediate Release:

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## **AASP-MN Goes On Record Opposing Federal Regulation of Insurance Industry**

In response to federal legislative proposals which would establish a lead federal role in the regulation of insurance companies, the Alliance of Automotive Service Providers, Minnesota (AASP-MN) Collision Advisory Committee has unanimously adopted a position statement opposing federal regulation of the insurance industry. The Association believes that both consumers and its members are better served by maintaining regulatory oversight and enforcement at the state level, citing the following reasons:

- The automotive repair industry cannot possibly muster the resources that the insurance industry has “invested” in its effort to influence federal policy. The insurance industry is second only to the pharmaceutical/health care products industry in its lobbying expenditures for the period 1998 – YTD 2009. In 2008 alone, the insurance industry spent nearly \$153 million to lobby Congress and federal agencies.
- It is much easier for repair shop representatives to get to know their state legislators than it is for them to get the time and attention of their Congressperson and U.S. Senators. The repair industry’s chances for influencing public policy are better at the state level where it can bring a stronger grassroots campaign to bear on state policymakers.
- Mobilizing national media outlets and/or consumer organizations to become engaged in the relatively obscure nuances of insurer claims settlement practices would be a daunting task. The repair industry can more effectively forge and maintain relationships with key media and consumer organizations at the local level.
- Bringing a claim in a federal regulatory scheme would likely present a greater burden to consumers and repair shops than is the case in the current state regulatory approach. The process for investigating and addressing inappropriate claims practices is established and more readily accessible at the state level.

AASP-MN Collision Division Director, Roger Bonn, Peter’s Body Shop, St. Cloud, Minnesota, states, “While regulatory challenges certainly exist at the state level, we believe that consumers and repairers are better positioned to influence state policymakers and regulators than they would be to bring about change or participate fully in a federal regulatory scheme. Therefore, AASP-MN does not support federal regulation of the property and casualty insurance industry.”

AASP-MN is an association of independently-owned automotive service businesses and industry suppliers dedicated to improving Minnesota’s automotive service industry and the success of its 630+ members. For more information about AASP-MN, visit its website at [www.aaspmn.org](http://www.aaspmn.org) or call 612-623-1110.

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