

# Press Release



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## **AASP-MN Legislative Initiative Cut Short**

The AASP-MN proposal to make it an unfair claims practice for an insurance company to refuse payment for a repair procedure that is called for by an original vehicle manufacturer was pulled from the House Commerce Committee Agenda last week, effectively ending prospects for passage this Legislative Session.

The bill initially sought to clarify that an insurer's obligation to assume all costs for the "satisfactory repair" of a vehicle includes completion of vehicle repairs consistent with OEM specifications. After two meetings with representatives of the insurance industry and an exchange of proposed amendments, the repair industry refocused its attention to adding a new provision to the unfair claims practices established at Minn. Stat. § 72A.201.

The new language, to be introduced as an "Author's amendment", would have made it an unfair claims practice for an insurer to deny payment for repair operations and procedures performed in accordance with the original vehicle manufacturer's documented technical procedures. The proposal would not have changed current law regarding the types of parts to be used in the repair of a damaged vehicle.

The bill, House File 2234, was scheduled for hearing on March 15<sup>th</sup> in the House Commerce Committee. However, late on March 14<sup>th</sup>, the Alliance was contacted by the bill author, Representative Ruth Richardson, who shared concerns of the Committee Chair, Representative Laurie Halverson, regarding the lack of agreement between the insurance industry and the repair industry. The Chair opted to pull the bill from the Committee Agenda in favor of continuing discussions between the two industries with the intention of trying to find accord.

While it was disappointing to have the bill pulled just hours before the hearing, the author, Representative Richardson, has indicated a willingness to secure additional time with Chair Halverson to more thoroughly brief her on the importance of AASP-MN's proposed change. There has also been discussion about having an "informational hearing" in order to better educate the Committee as a whole about the repair industry's issues and concerns.

AASP-MN extends its thanks to members, Will Latuff (Latuff Brothers Auto Body, St. Paul) and Darrell Amberson (LaMettry's Collision, Twin Cities), who were prepared to testify in support of House File 2234. AASP-MN also worked closely with the Alliance of Automobile Manufacturers, Automotive Service Association and Society of Collision Repair Specialists, who provided counsel and prepared letters and supporting documentation for the hearing.

"We want to maintain those good working relationships and expand our network of contacts at the Capitol in hopes of pressing forward with this issue in the coming months. We will continue to work with Legislators to push this approach and provide context," said Kevin Walli, AASP-MN Lobbyist.

"I appreciate that several associations are working closely on this worthwhile effort, for the benefit of our industry and its consumers. I remain optimistic that we can sooner or later accomplish our goal of legislation that protects the collision repair shop's inclination to repair vehicles properly, according to vehicle manufacturer procedures," added ASA Board Member Darrell Amberson.

*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 nearly 800 members. For more information, visit [www.aaspmn.org](http://www.aaspmn.org).*

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