



EXECUTIVE OFFICES

COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT

STRAWBERRY SQUARE
HARRISBURG, PA. 17120

August 21, 2018

Aaron Schulenburg, Executive Director
Society of Collision Repair Specialists
P.O. Box 909
Prosser, WA 99350

Dear Mr. Schulenburg,

Thank you for your correspondence regarding collision repair and the use of OEM parts and procedures. Please allow this letter to serve as a response. The Insurance Department is tasked with the regulation of insurance in this Commonwealth. Consumer protection is a cornerstone of that mission and we strive to ensure and promote the integrity of our insurance market. To achieve this goal the Department monitors many aspects of the insurance industry and takes regulatory action when it has been determined that a violation of the laws governing insurance in this Commonwealth has occurred.

With regard to claims settlement practices, these activities are governed by 40 P.S. §1171.5 and Chapter 146 of Title 31 of the Pennsylvania Code. As part of the Department's mission to regulate the insurance industry, the Department monitors compliance with these provisions through a variety of ways including market conduct examinations and enforcement actions. Our primary concerns are ensuring that insurers are properly investigating claims and settling such claims in a lawful manner. However, the Department does not regulate the specific manner in which repairs are made. As such, specific questions about manufacturer documented procedures are best addressed to insurers. Further, disputes between insurers and collision repair providers are outside the jurisdiction of the Department and as such we cannot opine on whether the reimbursement for costs associated with a particular procedure would be reasonable. The Department does not litigate claims disputes and would recommend that any consumer who has a dispute with an insurer retain legal counsel to advise them on the appropriate ways to resolve such disputes. The Department does note, however, that the Office of Attorney General Bureau of Consumer Protection also has jurisdiction over the trade practices of companies engaged in business in this Commonwealth. As such, you may wish to reach out to the Attorney General as they may have more information on some of your specific concerns.

Lastly, with regard to your questions about the implications of *Seebachan v. John Eagle Collision Ctr.*, the Department is aware of this decision. However, the Department cannot offer legal advice or interpretations of court decisions. Additionally, this decision is not controlling precedent in Pennsylvania and therefore, is of limited guidance in determining the proper manner in which repairs are to be conducted in this Commonwealth.



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I hope that this letter has been instructive and again thank you for your correspondence. The Department encourages stakeholders to reach out with any comments and concerns they may have as the Department believes that an open dialog with stakeholders facilitates our ability to effectively carry out our mission of regulating the insurance markets of this Commonwealth.

Best regards,

A handwritten signature in blue ink, appearing to read "Christopher Monahan".

Christopher Monahan
Deputy Insurance Commissioner