

From: [Dwyer, Elizabeth \(DBR\)](#)
To: [Linda Atkins](#)
Cc: [Aaron Schulenburg](#); [Pallozzi, Paula \(DBR\)](#); [Chester, Rachel \(DBR\)](#)
Subject: RE: [EXTERNAL] : Society of Collision Repair Specialists Requests Your Response
Date: Tuesday, July 24, 2018 11:57:10 AM

Please excuse the delay in response. When we received your email there was a bill pending in our legislature on OEM parts and we wanted to see what happened with that bill before responding. The following are our responses to your questions:

1. Is your department charged with consumer protection and the entity who serves as the regulatory agency to govern and supervise the business of insurance in your state?

Yes.

2. Are claims settlement practices a part of that regulatory oversight?

The Department does not have the jurisdiction or expertise to adjudicate individual claims or decide what procedures are to be utilized in individual claims. The Department does have jurisdiction to take administrative action against an insurer if a pattern and practice of violating a specific statute or regulation is established.

3. In many cases, vehicle manufacturers provide specific instructions and documented procedures on how repair and replacement operations are to be performed to produce a safe and proper repair. As evidenced in the SEEBACHAN v. JOHN EAGLE COLLISION CTR case in TX, failure of the facility performing the repair to follow these procedures can result in catastrophic loss, and incur avoidable liability that negatively impacts garage insurers. Many state laws relevant to insurer claims settlement rely on subjective terms such as "reasonable" as a means of satisfying their obligations.

We are not sure what you are asking here as there does not appear to be a question associated with this statement.

4. Is there anything that holds insurers and insurance policies sold in your state accountable to recognize manufacturer documented procedures as a basis for settling claims and loss indemnification?

If what you describe violates the insurance contract between the insurer and the insured, the Courts would provide a remedy under the contract. Additionally, insurers must be mindful of Public Law 321 and 298 which became effective on July 4, 2018. In light of such provisions, the Department will be amending Regulation 230-RICR-20-50-3 accordingly.

5. Would your department consider it a "reasonable" expectation that if an OEM repair procedure or instruction existed, that the claim should cover the associated costs?

This would not be an area where we would take any position with regard to specific repair procedures. We would expect all insurers to follow all statutes and regulations.

6. Would your department expect consumers to be clearly notified through exclusions in the policy where costs associated with documented OEM procedures would not be covered; otherwise, allowing a consumer to reasonably assume they would be?

Requirements for insurance policy terms are set by statute or regulation. To our knowledge there is

no statute requiring specific policy language in the situation described.

7. If there is a dispute between a consumer and their insurance carrier over the cost to restore their vehicle to preloss condition in accordance with manufacturer documented procedures, is your department the correct one to address those issues and provide consumer protection?

No. That would be a dispute over the benefits offered under the contract and would be within the jurisdiction of the Courts.

a. If yes, please explain?

b. If no, who is the appropriate consumer protection body to do so?

Within the jurisdiction of the courts.

Elizabeth Kelleher Dwyer, Esq.
Deputy Director and Superintendent of Banking and Insurance
Department of Business Regulation
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462 9615

From: Linda Atkins [mailto:info@scrs.com]

Sent: Thursday, June 21, 2018 4:26 PM

To: Dwyer, Elizabeth (DBR) <Elizabeth.Dwyer@dbr.ri.gov>

Cc: Aaron Schulenburg <aaron@scrs.com>

Subject: [EXTERNAL] : Society of Collision Repair Specialists Requests Your Response

Dear Superintendent of Insurance Kelleher Dwyer,

I'm writing to you on behalf of the Society of Collision Repair Specialists (SCRS), a national trade association dedicated to representing the interests of collision repair professionals. We have communicated with your office in the past to obtain feedback on how your department and state addresses specific issues, and we reach out to you today seeking similar input. SCRS is looking to obtain responses from all state Departments of Insurance to a few specific questions outlined in the attached letter.

For formality, we have also mailed a physical copy of the attached letter to your office in addition to this email correspondence, and we ask for your return response on department letterhead. You are welcome to respond in writing either by mail or email, whichever is more convenient.

Responses will be compiled in the form of a report that we will share with our

membership. We are willing to share the information with you as well, if you wish to examine how other states are addressing these concerns.

Should you desire to discuss this subject with me, you can reach me at 302.423.3537 or by email at aaron@scrs.com.

Thank you in advance for your prompt response.

Best regards,
Aaron Schulenburg
SCRS Executive Director

Sent by:
[Linda Atkins, SCRS Administrations](#)
[Society of Collision Repair Specialists \[scrs.com\]](#)

PO Box 909
Prosser, WA 99350
Phone: 877.841.0660
Fax: 877.851.0660