

**From:** [Reed Stringham](#)  
**To:** [Aaron Schulenburg](#)  
**Cc:** [Todd Kiser](#); [Tracy Klausmeier](#); [Linda Atkins](#)  
**Subject:** Re: Response to questionnaire  
**Date:** Monday, September 10, 2018 6:22:07 PM  
**Attachments:** [image003.png](#)  
[image001.png](#)

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Dear Mr. Schulenburger:

Please let me respond to your follow up questions.

Question: "If your department is not the appropriate place for a consumer to file [a] complaint over disputes with their carrier's settlement of their claim (as indicated in 270), in what way does your office regulate claims settlement practices (as indicated in 266)?"

Answer: The Utah Insurance Department is the appropriate place for a consumer to file a complaint concerning a carrier's settlement of a claim. However, as the Department's answer to 267 states, there is no Utah statute or regulation that requires insurer-funded repairs to follow OEM procedures. Accordingly, the identity of a Utah consumer protection body that requires insurers to follow those procedures, if there is one, is unknown.

Question: "Based on the responses to 268 and 269, does the office not consider what expectations the policy coverage and limitations communicate to the policy holder as part of the oversight?"

Answer: No. The Department is interested in what a policy communicates to a policyholder. However, 268 and 269 address insurer communications concerning OEM repair procedures and, as previously stated, Utah statute and rule do not address compliance with those procedures. Accordingly, the Department would have to speculate to determine legal requirements for insurer communications concerning those procedures.

On Mon, Sep 10, 2018 at 8:39 AM, Aaron Schulenburg <[aaron@scrs.com](mailto:aaron@scrs.com)> wrote:

Mr. Stringham,

I am confirming receipt of your responses. Thank you. My apologies, I'll have to look into what the numbering changes resulted from.

I am a little unclear about the responses though.

If your department is not the appropriate place for a consumer to file complaint over disputes with their carrier's settlement of their claim (as indicated in 270), in what way does your office regulate claims settlement practices (as indicated in 266)?

Based on the responses to 268 and 269, does the office not consider what expectations the policy coverage and limitations communicate to the policy holder as part of the oversight?

Thanks in advance for any added clarity.

**Aaron Schulenburg**

Executive Director | Society of Collision Repair Specialists (SCRS)

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**From:** Reed Stringham [mailto:[rmstringham@utah.gov](mailto:rmstringham@utah.gov)]  
**Sent:** Monday, September 10, 2018 10:11 AM  
**To:** Aaron Schulenburg  
**Cc:** Todd Kiser; Tracy Klausmeier  
**Subject:** Response to questionnaire

Dear Mr. Schulenburg:

On September 5, 2018 I submitted on behalf of the Utah Insurance Department answers to questions set forth in your organization's June 21, 2018 letter.

Later on September 5 the Department received from your organization a second letter sent August 29. That letter includes the identical questions set forth in the June 21 letter but with different numbering; Question 1 is now 265, 2 is now 266, 3 and 4 are now 267, 5 is now 268, 6 is now 269 and 7 is now 270. Please let me respond those questions.

265. 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?

Answer: The Department is charged with consumer protection as it concerns insurance. The Department regulates the business of insurance in Utah.

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

Answer: Yes.

267. 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.

a. 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?

Answer: There is nothing in Utah statute or regulation that does so.

268. 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?

Answer: This question requires speculation. Unknown.

269. 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?

Answer: This question requires speculation. Unknown.

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

kk:kk:. If yes, please explain?

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

Answer: No. The identity of the appropriate consumer protection body, if there is one, is unknown.

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