



OFFICE OF
INSURANCE COMMISSIONER

July 12, 2018

Aaron Schulenburg, Executive Director
Society of Collision Repair Specialists
Post Office Box 909
Prosser Washington 99350

Re: OIC Role in Consumer Claims Settlement Process

Dear Mr. Schulenburg:

Thank you for your June 21, 2018, letter to Commissioner Mike Kreidler regarding the Society of Collision Repair Specialists' concern of reasonable repair procedures and the insurance claim process. As his Deputy for Policy and Legislative Affairs, Commissioner Kreidler asked me to reply directly to you.

The mission of the Office of the Insurance Commissioner's (OIC) is to protect the consumers of Washington State and its economy through fair regulation of the insurance industry. As part of that work, the OIC has a Consumer Advocacy Program that interacts daily with our consumers on all levels of insurance questions, including claims. Commissioner Kreidler is committed to making sure our state's residents receive proper repairs to ensure they are operating safe vehicles, and if the repairs involve a covered loss, that the insurance claim follows our regulations.

The OIC has drafted a full chapter of regulations on unfair claim settlements and trade practices, and continue to write rules that protect consumers from unfair acts. I refer you to Washington Administration Code (WAC) chapter 284-30 on trade practices. These regulations include requirements that insurers fully disclose to first party claimants all pertinent benefits, coverages, or other provision of their insurance policy under which the claim is presented. Additionally, an insurer must make a good faith effort to communicate with the repair shop chosen by the claimant and is not allowed to arbitrarily deny a claimant's estimate for repairs. An insurer shall not fail to prepare or accept an estimate provided by the claimant that will restore the vehicle to its pre-loss condition and must consider any additional loss related damage discovered by the repair facility. If the insurer disagrees with the claimant's estimate of repairs, the insurer must fully disclose the reasons.

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In Washington State, there are no specific insurance regulations regarding the use of original equipment manufacturer (OEM) repair procedures or use of OEM parts but we do have a statute (RCW 46.71.015) that requires the auto repair facility to indicate if non-OEM parts are to be used when preparing its repair estimate. You can view WAC 284-30 and RCW 46.71.015 by visiting the Washington State Legislature website at www.leg.wa.gov. The OIC is continuously looking to further protect our consumers and are open to discussing the merits of this type of regulation. If your association has a local representative, we would be happy to invite them to future stakeholder meetings we may hold on topics regarding motor vehicle repair.

Thank you for keeping this issue at the forefront and providing an opportunity to learn more about the Society of Collision Repair Specialists. I believe we answered all the questions in your letter, but feel free to contact us if you should have further questions.

Sincerely,



AnnaLisa Gellermann
Deputy Insurance Commissioner,
Policy & Legislative Affairs Division