

Prospect body shop joins

Progressive lawsuit

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REPUBLICAN-AMERICAN

PROSPECT — When Mike Fonseca's Saturn was damaged in an accident this May, he set up an appointment to have it repaired at Skrip's Auto Body in Prospect, where he has had five other repairs done.

But when he spoke to the Progressive Auto Insurance appraiser who assessed the damage, Fonseca said, he was told it would be quicker and easier for him to bring the car to another shop — one that was part of Progressive's network of preferred repair shops.

"I didn't trust going that way," said Fonseca of Naugatuck. "I have been told that not all body shops are the same and that they don't all do a professional job. At Skrip's I already knew what the product was like."

After prodding from the agent to do otherwise, Fonseca ended up getting his car repaired at Skrip's. Contrary to what he said he was told, Fonseca didn't feel inconvenienced by choosing a shop outside of Progressive's net- See **LAWSUIT**, Page [A5](#)



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Bob Skrip of Skrip's Auto Body checks out a job with auto tech Miguel Millet at his shop in Prospect on Tuesday. Skrip is joining other auto body shops in the state in a class action federal lawsuit against Progressive Insurance for alleged unfair business practices.

LAWSUIT: Insurance firm accused of steering customers to own shops

Continued from Page One

work. But Fonseca said he was upset enough about the "pressure" from the Progressive agent to file a complaint with the state insurance commissioner shortly after.

Fonseca's story is common with many insurance companies, said Michael London, a spokesman for the Auto Body Association of Connecticut, which filed a federal suit against Ohio-based Progressive in the U.S. District Court in

New Haven last week. The nonprofit group is representing shops across the state in the class-action suit, which specifically names three shops as plaintiffs: Skrip's, the Family Garage in Bridgeport, and A&R Body Specialty in Wallingford.

The suit is two-fold — alleging that Progressive steers its customers to its network of repair shops and that Progressive has set “artificially low” labor rates for its appraisal estimates.

The effect, according to Bob Skrip, owner of Skrip's Auto Body Inc., is that auto bodies across the state are losing business and income every day. London said that 52 shops have closed in the state in the past three years.

The suit claims that Progressive illegally steers customers to its shops by offering discounts and by telling customers that repairs done at the outside shops will not be paid for and that the work there will not be guaranteed.

The association has a similar suit pending in Connecticut against the Hartford Fire Insurance Company, and London said future suits against other insurance companies are possible.

“There’s laws that prevent it from happening,” said Skrip. “They have very tactful ways of steering customers and not having any record of it.”

But according to a statement given by Debra J. Korta, Legislative Program Manager at the Connecticut Insurance Department, the practice of having a network of direct repair shops is not illegal, and the insurance companies are not breaking the law unless they actually require that repairs are done at a certain shop.

Cristy Cote, a spokesperson for Progressive, said in an email statement, that while the company does not comment on pending litigation, customers are allowed to choose their repair shop.

“While we clearly outline all of the choices available to the customer,” Cote wrote, “we’re not shy about telling them about the benefits of our network program and our concierge level of claims service because we know, based on customer surveys, that customers who chose these options have a better experience and are more satisfied than those who don’t.”

Skrip was a preferred shop with an insurance company for one year about 15 years ago; he said the insurance companies ask their shops to make repairs with used or aftermarket parts, which are produced by manufacturers other than the car manufacturer. As a result, customers may unknowingly be voiding new-car warranties and be putting their cars at risk with parts that have not been safety tested, Skrip said.

The suit is seeking the difference in the labor rate that shops typically charge and the rate Progressive sets, as well as lost income due to steering, a number Skrip admits is hard to estimate. But he said that at his shop alone — which employs 13 technicians — he has lost millions of dollars since 1999 when calculating just the difference between the labor rates paid by insurance companies.

According to the suit, the labor rate paid by Progressive is about \$44 to \$46 per hour. Average posted labor rates in the state are \$70 or more an hour. When an insurance company assesses the repairs at the lower labor rate, auto bodies can try to negotiate, charge the customer out-of-pocket expenses, or absorb the difference.

“We are routinely able to reach agreed prices on the cost of repairs with the vast majority of body shops in Connecticut, which indicates to us that our estimates are competitive and in line with prevailing rates in the state,” Cote wrote in her statement.

But Skrip said he was unable to get even one penny more per hour for the labor rate when trying to negotiate with insurance companies.

Whether the insurance companies are “steering” customers or just using good marketing remains to be determined in the courts, but Skrip said he just wants a chance to talk to the customers before they are steered to another shop. “I’m all for fair game,” Skrip said. “The problem is a lot of times I don’t have any opportunity to sell our services to the customer.”



THE LAWSUIT AGAINST PROGRESSIVE STATES IN PART:

“Progressive uses its position of power over its insureds, in the form of incentives and requirements, to carry out its program of steering ... Progressive employees tell insureds, among other things, that Progressive does not do business with non-direct repair program shops, that a claim may not get paid if done at another shop, that it is “easier” to have the car repaired at one of its shops, that the insureds can receive free towing if the vehicle is brought to a direct-repair program shop, that the insured can receive a discount off his or her deductible by using a direct-repair program shop, and that it will not guarantee work done by a non-direct-repair program shop.”

CUSTOMERS SHOULD KNOW THEIR RIGHTS:

When it comes to car repairs, customers have a legal right to choose which auto body shop to use. Consumers who feel they were required to use a particular facility by their insurance company should contact the Connecticut Insurance Department’s Consumer Affairs Division at (860) 297-3447 ext. 3620.

— *Jodie Mozdzer*