



Auto Body Association of Connecticut

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“Pulling together for a better future.”

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JURY SAYS THE HARTFORD INSURANCE CO. VIOLATED FAIR BUSINESS LAWS

AUTO BODY ASSOC. AWARDED \$15 MILLION IN CLASS ACTION VERDICT

STAMFORD, Conn., Nov. 17, 2009 – A Stamford Superior Court jury today awarded \$15 million to a group of auto body repair firms after saying The Hartford Insurance Co. engaged in unfair business practices.

The class action lawsuit filed by The Auto Body Association of Connecticut (ABAC) and three of its members alleged that the insurance company engaged in a pattern of unfair practices that violated Connecticut law.

The jury agreed that The Hartford artificially suppressed body shop labor rates by eliminating the use of independent appraisers and relying exclusively on its own automobile service representatives to perform appraisals so the company could control their content, including labor rates. The result: consumers do not get fair, independent appraisals of the damage to their automobiles.

“We are gratified that the jury agreed that The Hartford systematically violated the Connecticut Unfair Trade Practices Act,” said Bob Skrip, president of ABAC and owner of Skrip’s Auto Body, Inc., Prospect. “This is just one more step in a long road against The Hartford and other insurance companies that seemingly disregard both regulations and consumers’ best interests. It is a positive development for consumers and body shops statewide, but it remains a long process. We are more confident than ever that we will ultimately prevail.”

The accusations against The Hartford were supported in the lawsuit by extensive documentation including internal memoranda detailing company policies, as well as several depositions by company employees, Skrip said.

The jury agreed that The Hartford improperly forced auto body shops to charge lower labor rates than general market conditions otherwise allow, in effect strangling the industry by exerting undue influence on its appraisers.

The lawsuit said that when customers need auto body repairs following an accident, employees of The Hartford, ‘customer care team specialists,’ were instructed to direct the customers to a preferred shop in The Hartford’s ‘customer care repair service program.’ Consumers were often pressured to abandon their choice in favor of The Hartford’s preferred shop, allowing The Hartford’s appraisers to exert greater control over the repair.

“We are thrilled the jury found that The Hartford suppresses labor rates. This lawsuit was an attempt to change the way business is done in this industry,” said Atty. David Slossberg of Hurwitz, Sagarin, Slossberg and Knuff, of Milford, co-counsel for ABAC. “The jury’s verdict is a major victory toward that end.

“The next step is to ask the court for immediate injunctive relief,” Slossberg added. “Our team is looking forward to crafting that request.”

The Auto Body Association of Connecticut is a statewide consumer advocacy group dedicated to the advancement of the collision repair industry. The ABAC continuously strives to enhance the professional abilities and knowledge of its membership, helping provide safe and dependable repairs for the public. Additional information is available at its web site: www.abaconn.com.

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