

Court dismisses fraud charges against repairer

Progressive plans to appeal lawsuit against Greg Cocco

By Bruce Adams
News Editor

While Progressive's lawsuit charging Greg Cocco and his shop, North State Custom, of fraud was dismissed in a court of law Aug. 5, his troubles may not be over yet. A spokesperson for Progressive said the company plans to appeal the decision, which means that the legal nightmare, which has cost him about \$400,000 and nearly put his Bedford Hills, N.Y., shop out of business, may continue.

"If it happens, I'll have the expense of finishing the trial," Cocco says. "That will be nothing compared to the expense leading up to the trial. I'll do what I have to do. I won't quit now."

While the financial situation has taken a toll on Cocco, he said being distracted from his business for three years while preparing his defense also was difficult.

"It took a toll on this company in general due to my non-participation in the company," he says. "For three years I wasn't totally doing my job because I was preoccupied with the case."

Last year, Cocco filed a \$40-million lawsuit against

Progressive because of damage more accurate second estimate. The estimator who wrote the first two estimates left Progressive and was to be called as a defense witness.

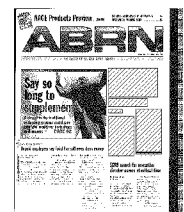
"Progressive was trying to force the customer into their network," Cocco says. "We told the customer we did not want to do the repairs. She insisted we repair it and we said we would do it only if she would be responsible for the bill. We told her it would start at \$26,000 and go up from there. She agreed to that."

North State Custom, a family-run business, is one of just a few shops in New York state that is CL Class certified by Mercedes-Benz.

Five weeks later the repairs were done and the customer asked the shop if they could get Progressive to pay the bill.

"We don't have power over that, but we provided Progressive with additional parts invoices and if they chose to pay her it was up to them," Cocco says. "An adjuster showed up and inspected the car on our front-end machine and asked for old parts. We didn't save them all in one place, but showed him what we could. He asked why we didn't keep certain things, like glass from the quarter panel. I said, 'here are the bills. Do what you want.'"

Progressive told Cocco that they would pay the entire claim and wanted to deliver the car to the customer. After presenting Cocco appropriate paperwork signed by the customer, he turned the car over to Progressive, which took it to their



shop and declared it a total loss. Shortly after that Coccaro received a summons that he was being sued for fraud.

"They were going to punish me because they couldn't get the car out of here for repairs," Coccaro says. "At first, I laughed at the summons, thinking it would be thrown out right away. I never had a contract with them and I didn't do anything wrong. They did 12 different versions on the estimate. But I was forced into a situation where I had to spend my life savings defending myself against something I did not do."

Progressive said its policy is not to comment on pending litigation.

After spending about \$150,000 preparing his defense, Coccaro said Progressive approached him and offered to settle out of court. The deal was Progressive would drop its fraud suit against Coccaro if he would drop his lawsuit against them.

"There is no way I would walk away having people think I was a thief," Coccaro says. "I would have spent my last dime, and I nearly did. Somebody was spreading word that I had committed insurance fraud, because that got back to me. I could not settle without being acquitted. I have no DRPs and rely on my reputation for business."

The trail was difficult to endure, Coccaro said.

"They tried to portray me as some body shop owner who tried to take advantage of an old woman in a wheelchair," Coccaro says. "They said I wanted to stick it to Progressive by driving up the cost of the repair to a total loss, forcing them to pay twice. That is absurd to anybody who knows me.

"If I thought it was going to be a total loss, I never would have repaired it," he says. "The car was not a total loss. It was a \$60,000 car in May, the accident was in early December and the repair bill was

\$34,000. Total loss never entered my mind."

The repairs performed by Coccaro were flawless, according to Mike Orso, president of the New York State Auto Collision Technicians Association (NYSACTA), who was prepared to testify on Coccaro's behalf.

"After 15 years of Wreck Check post-repair inspections I have about seen it all," Orso said in a prepared statement. "This Mercedes was an exception in that it was repaired as close to original as humanly possible. Right down to the texture of the vinyl coating texture on the underside of the floor. After examination and review of the pleadings it didn't take long to see Greg was being singled out as Progressive's whipping boy. This was a true David and Goliath battle. This is a huge win for the little guy and a huge win for our industry."

During the trial, Coccaro realized that

Lessons learned

Here are a few lessons learned by Greg Coccaro, owner of North State Custom, during a lawsuit initiated by Progressive Insurance. The court dismissed the case after a three-year legal battle:

- A shop's paperwork must be impeccable. "The level of scrutiny my paperwork received was incredible," he says. "Any discrepancies are magnified 100 times to make them look like they were intentional."

- Get written authorizations. Make sure everything is in writing about who is responsible for what.

- Take another look at your estimating procedures. Make sure the customer knows that your estimate may or may not coincide with the insurer's estimate for parts and labor.