

# Insurer vs. collision shop lobby

## Right to choose bump shops explored

By Richard Lech  
staff writer

Leaving the selection of a collision shop for your car up to your insurance agent could cost you money in the long run.

That's the assertion of Larry Auger, president of the Automotive Service Council of Michigan (ASCM). His group is a non-profit trade organization representing 400 independently owned car repair facilities statewide.

"We're finding that the motive for some insurance companies is sometimes contrary to the benefit and goodwill of the insured," said Auger, who owns Auger's Body Collision of Clawson. "Their motive is simply price — getting the lowest possible. Most times this does not offer a good repair or a safe repair."

Auger and the ASCM are backing a proposed state law that would regulate the interaction between consumer and insurance company after a collision.

A SPOKESMAN for a major auto insurer, however, denied that insurance companies seek lower price over a proper repair job.

Leonard Bach, claims director for the Automobile Club of Michigan, said insurance companies do strive to get a competitive price, however.

"All we ask is that you (the customer) look at it as if you were paying the bill yourself," Bach said. "If you went to various shops which all had good reputations, you probably wouldn't go with the one charging the higher dollar. But we do give people that option, if they want to go with the higher rate."

"We do tell them if they're going to a repair shop that charges higher prices that they will have to pay the difference, unless it's a specialty shop."



Larry Auger

THE BILL, Auger supports is House Bill 4345. It would forbid insurance companies from "directly or indirectly" requiring the insured to have his car repaired at a particular collision-repair shop. The bill would require insurance agents to provide a statement listing the customers' rights under state law — including the right to select a state-licensed repair shop of their choice.

Other provisions in the proposed bill would require all repair work to be taken to licensed shops and would specify that the insurance company do its estimate at a place of the customer's choosing.

Auger called the bill a "consumer's bill," but Bach said it was anything but.

"I feel House Bill 4345 is a self-serving, anti-consumer bill, serving only the body shops and no one else," Bach said. "It would raise insurance rates, and I see no useful purpose from the consumer's point of view."

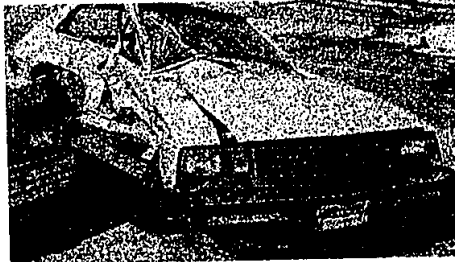
THE BILL, sponsored by Rep. Wilfred Webb, D-Hazel Park, currently is being studied by the House Insurance Committee, according to state Rep. Gerald Law, R-Plymouth, a member of that committee. Law said that the contents of the bill could change considerably when and if it reaches the House floor.

Auger said the bill is necessary because insurance companies often "intimidate and coerce" their customers into selecting a collision shop of the company's choice.

The consumer fears his rates are going to go up, that he's going to be kicked into a higher pool, or he might lose his insurance. So he's hesitant to make any waves," Auger said.

Auger maintained that insurance companies "nine times out of 10" will select the collision shop offering the lowest price. That could cost the consumer more money eventually, he said.

"On a job that costs \$1,000, they might get it done for \$950," Auger said.



"That \$50 is a savings to the insurance company. That same \$50 might ultimately cost you \$400 when you go to trade it in, plus the aggravation when the repairs fall apart."

"It also is important to pick the shop that is qualified for your car," Auger added. "Not all cars are constructed the same. Some might be unibody as opposed to conventional bodies, for instance."

BACH SAID he has "never heard" of insurance companies intimidating customers into selecting a collision shop of the company's choice. Instead, he said, consumers always have had freedom of choice.

"Our policy — and the policy of most of the insurance companies in the state — is to allow customers to select the repair shop of their choice," Bach said.

Bach said although insurance companies encourage claimants to have their repairs done at a "competitive price," the companies take into account the higher costs of specialty work.

Bach also said the disclosure notice would be unnecessary and costly paper work. A notice of the insured's rights already is sent along with the car owner's policy, he said.

"OUR ONLY objection is to the costs," Bach said. "We don't feel it's necessary to give everyone a separate notice. It just adds to the administrative costs and makes for higher insurance rates."

Bach also knocked the bill's requirement that the insurance company do its estimate at a place of the customer's choosing. Insurance companies could no longer require that their customers come to a drive-in claims center or a specific repair shop to have an estimate done.

"We'd have to tell individuals that all they have to do is let us know where their car is, whether at home, a repair shop or work, and we'd have to go there and do the estimate," Bach said.

"Insurance rates are going to go up because we would have to double our claims staff. As it is now, if it's not possible for them to drive it in, we're happy to go to the garage they select for the car and work out the arrangements with the body shop. We feel it is reasonable."

Bach said he has "no quibble" with a provision in the proposed bill requiring the use of state-licensed shops. Auger said this provision would prevent insurance companies from giving repair work to "back alley" shops.

### Our "346" blazer for the Summer sun

Whether you're planning for a warm climate or already enjoying one, you'll find our casual blazer indispensable... in any of the five colors we offer. Tailored of porous weave polyester-and-worsted on our 3-button model with patch pockets, welted edges and "346" brass buttons. Red, light blue, navy, beige or green. \$175

Use your Brooks Brothers card or American Express.

ESTABLISHED 1818

Brooks Brothers  
(CLOTHING)

Furnishings for Men, Women & Boys  
645 GRISWOLD CITY NATIONAL BANK BLDG.  
DETROIT-SOMERSET FASHION MALL-TROY

Join us this Grand Prix Season

Detroit Symphony Orchestra

POPS

Concerts

Twelve Oaks Mall  
Novi  
Saturday, May 21  
1:00 pm Center Court

Fairlane Town Center  
Dearborn  
Sunday, May 22  
2:00 pm South Grand Court

NO ADMISSION CHARGE

Grand Prix '83

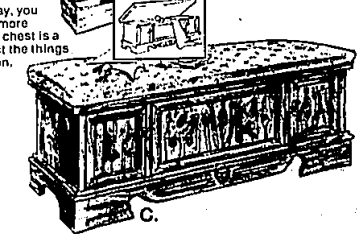
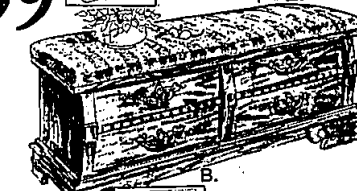
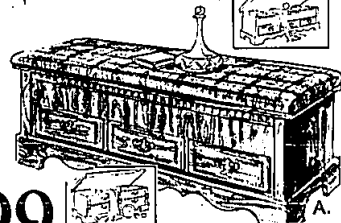


Fine Furniture Since 1917

Visit Our Pennsylvania House Gallery

GRADUATION  
SPECIALS  
that say "I love you!"

famous  
Love  
Chests  
by  
Lane  
your \$299  
choice



A. No. 5302 Beautiful 48" chest in honey pine finish. Woven plaid earthtone top.

B. No. 5301 Hearty 48" chest in brown oak finish. Woven floral multicolor top.

C. No. 6300 Lovely 44" chest in rustic pine finish with earthtone needlepoint top.

Your love is special every day. But on her Graduation Day, you have a chance to show it in a more enduring way. A Lane® love chest is a lasting gift to hold and protect the things she loves. It's a gift of tradition, crafted of the finest cabinet-woods and veneers, and lined with the sweetest smelling cedar. And now it's specially priced to help you say "I love you" in a way she'll never forget.

Quantities are limited, sale ends Saturday, May 28.

STEWART-GLINN CO.  
"YOUR FULL SERVICE STORE"  
has no extra charge for:  
• Careful Inspection & Set-Up  
• Courteous Delivery Service  
• Generous Storewide Parking

Ask our Interior Designers to help you with your decorating problems. Ask about our 4 Pay Plan (no interest) or use your VISA or MasterCard.