

Blumenthal Backs Auto Body Shops In Fight Against The Hartford's Appraisal Practices

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Attorney General Richard Blumenthal is seeking to support in court a push by auto body repair shop owners in Connecticut against the appraisal practices by a major property casualty insurer.

The Auto Body Association of Connecticut is seeking a permanent court injunction against Hartford Fire Insurance Co., part of property casualty giant The Hartford Financial Services Group, that would force the insurer to stop exclusively using its in-house appraisers in damage cases.

That practice excludes independent appraisers and leads to damage appraisals that have artificially low labor rates, forcing auto body shops to charge labor rates lower than what the market allows, the association says.

In his filing with the court, Blumenthal wrote "the state has an interest in preventing the unfair suppression of labor rates that significantly harms the state's economy and results in extreme economic hardship for independent automobile body repair shops."

Thomas Hambrick, a spokesman for The Hartford, said the insurer was "disappointed that the attorney general has chosen to support a position that the body shop owners admit is intended to increase costs for Connecticut consumers."

"It is important to us that our customers have access to a repair program that provides great service at a fair price," Hambrick said.

In November, a Superior Court jury awarded auto shop owners \$15 million in the dispute, agreeing that The Hartford had engaged in unfair trade practices. The auto body association then sought the injunction and additional punitive damages.

The Hartford had said it intended to appeal that award. It also maintained that Connecticut law clearly allows insurers to use in-house appraisers and that the labor rates are consistent with the market rate in Connecticut.

Blumenthal, who has pressed for strengthening laws regulating how insurance companies deal with car repairs, could participate in the court proceeding if his status as an intervener is accepted.