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## Body Shops Suing Progressive

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Auto body shops in Connecticut are suing the insurer Progressive, alleging that it illegally steers customers to certain repairers and pays "unreasonably low" labor rates to fix vehicles after an accident.

The lawsuit by the Auto Body Association of Connecticut and three body shops continues a battle they've been waging for years, in court and in the General Assembly, against practices they say interfere with consumer choice and repairers' ability to make a living.

The suit, filed Wednesday in U.S. District Court in New Haven and proposed as a class action, takes on Ohio-based Progressive, one of the largest auto insurers in Connecticut.

Progressive, the suit says, has instituted a system of preferred shops - often called "direct repair" - and in-house appraisers to suppress labor rates and steer policyholders to the shops "in order to extract enormous profits from the automobile insurance programs" in Connecticut.

The conduct has caused "very substantial damages to the class of hard-working, highly skilled, auto body repair shops that are trying to earn an honest living in their industry," the suit says.

The suit does not specify how much is sought in damages, but David A. Slossberg, one of the attorneys representing the association in the case, said it's "in the millions."

Progressive spokeswoman Cristy Coté declined to comment Thursday, saying the company needs time to review the suit.

The suit is similar to one the auto body association filed several years ago in Connecticut against The Hartford Financial Services Group Inc. That lawsuit has been certified as a class action, but The Hartford is appealing the certification to the Connecticut Supreme Court.

Many auto insurers have long had networks of direct repair body shops that may agree to work at discounted labor rates or offer a discount on parts. Insurers say the shops must also meet standards for equipment and turnaround time on repairs.

It is not illegal for insurers to have such networks, but they aren't supposed to require or strong-arm consumers to use the preferred shops. The auto body association, however, has long complained that insurers overstep the legal bounds.

The suit, for example, says Progressive tells customers it does not do business with non-direct repair shops, or that a claim may not get paid if the work isn't done at a direct repair shop.

The insurer tells people it's "easier" to have the car repaired at one of them, and that the insured can receive free towing if the vehicle is brought to a direct repair shop, the suit says.

Some are told they'll receive a discount off their deductible if they use one of the shops, and that Progressive will give a lifetime guarantee on repair work only if it's done at a direct repair shop,

the suit said.

The organization decided to sue Progressive this time because "they are absolutely the worst, by far," said Tom Bivona, president of the association and co-owner of My Way Auto Body, which is in Greenwich and Stamford.

Progressive illegally imposes a cap on labor rates it pays repairers of about \$44 to \$46 an hour in the state, the suit says. The posted rates at shops for work not covered by insurance are more than \$70 an hour.

Bivona said that although other insurers also don't pay the posted rates, they are more reasonable than Progressive in approving the procedures and the amount of time allotted for repairs.

The suit alleges that Progressive has violated the Connecticut Unfair Trade Practices Act and has been "unjustly enriched" by keeping money it improperly failed to pay the plaintiffs and other body shops.

"In the end," Slossberg said, "it's about consumer choice" and not being pressured about where to get your car repaired.

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