



The Hartford Ordered to Pay Connecticut Repairers \$15 Million

A Stamford Superior Court jury today awarded \$15 million to a group of auto body repair firms after determining The Hartford Insurance Co. engaged in unfair business practices to suppress labor rates. 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 did not get fair, independent appraisals of the damage to their automobiles, ABAC says.

“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 needed auto body repairs following an accident, employees of The Hartford called “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 insurer’s appraisers to exert greater control over the repair.

“We’re 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 Attorney 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.”