



May 7, 2020

Attorney General Healey,

My name is Evangelos “Lucky” Papageorg, I am the Executive Director of the Alliance of Automotive Service of Massachusetts. AASP-MA represents over 10,000 “front line responders” and their families in the collision repair and affiliated industries. Our industry members have been granted essential business status throughout the current state of emergency created by the COVID-19 pandemic. We have been working through these very difficult times as have many other businesses. We have made enormous changes in our standard operating procedures to held curb the spread of the COVID-19 virus while continuing to service the motoring public facing the need for collision repair. Our industry has selflessly donated not only time and energy to help those stricken or confined to their homes, but also donated hundreds of thousands of dollars in PPE equipment to protect first responders, the true heroes in this fight.

On behalf of AASP-MA, I want to commend the current administration for its handling of the current situation. As the Attorney General, you have done a tremendous job calling attention to the exploitive actions certain entities have exhibited during this unprecedented time. You have made it clear you will not tolerate any injustices. It is for that reason I am writing to you directly.

The challenges the collision repair industry has faced are numerous, and our industry has adjusted due to our resilience, willingness to adapt and commitment to our communities. Unfortunately, we find ourselves being exploited by insurers wo are seeking to benefit unjustly at the expense of their insureds and the collision repair industry. Collison repairers accept a huge responsibility and enormous liability in the collision repair process under extremely difficult conditions in the best of times. Under the current pandemic conditions, we are forced to contend with insurance companies who are refusing to meet their obligations based upon the indemnification policies they have sold to their policyholders.

Insurers are responsible for, “... the cost of ALL parts, labor, materials and necessary procedures required to restore the vehicle... “ as per 212 CMR 2.04 (e). Insurers are refusing to pay for the necessary procedure of pre and post repair application of disinfecting materials and the additional PPE materials and equipment. The CDC and Original Equipment Manufacturers (OEM) have developed specific procedural protocols and materials needed to apply disinfectant to vehicles for the protection of the collision facility, their technicians and the vehicle owner upon completion of the repairs. Many insurers have taken the cavalier position that the procedures are not necessary,

and tell shop owners, “just charge the vehicle owner”. They do this while at the same time refusing to send their own staff and independent appraisers to personally view the vehicle.

By refusing to send their appraisers to the repair facility, insurers have also insisted that the collision repair facility take on the additional administrative costs of preparing estimates, photo or video documenting the damage, then uploading the information, only to “red line” the estimate without the required negotiation taking place. Because photos and videos are poor substitutes for personal inspection of the damages, many insurers indicate, “ I just don’t see it”. This only adds to the frustration and creates additional administrative cost directly associated with the specific claim, which again the insurers refuse to reimburse, exploiting the current conditions further. This puts the collision repairer further into a tenuous position.

We call your attention to these issues after having exhausted other remedies available to us. We have called upon Insurance Commissioner Anderson and the Auto Damage Appraisers Licensing Board (ADALB) to no avail, to take action against insurers and their appraisers for their exploitative actions. It is imperative that action be taken now in addressing these and other issues. Even when this state of emergency is lifted the “new normal” will require the procedures herein discussed to continue for the long term foreseeable future.

Please contact Insurance Commissioner Anderson and the ADALB impressing upon them the need to take the following immediate action: 1) to include a fair proper reimbursement for the required procedures to apply disinfecting materials and PPE equipment on all estimates, 2) to compensate fairly and properly for the additional administrative costs being imposed upon collision repair facilities by insurance companies, 3) the consideration of a reasonable labor rate reimbursement increase.

For reference I have included copies of previous request for action letters.

Thank you for your prompt attention in this matter, I will follow up with your office in a few days.

Sincerely,



Evangelos “Lucky” Papageorg

Executive Director, AASP-MA

617.574.0741

CC: Governor Baker, Lt Governor Polito, Insurance Commissioner Anderson, ADALB
Chairman Donovan, AASP-MA Board of Directors