

More Than Just Insurance.



May 13, 2016

Commonwealth of Massachusetts
Auto Damage Appraiser Licensing Board
1000 Washington Street, Suite 810
Boston, MA 02118-6200

Dear Chairman Cox and Members of the Auto Damage Appraiser Licensing Board:

Plymouth Rock Assurance Corporation ("Plymouth Rock") submits this recommendation pursuant to the Auto Damage Appraiser Licensing Board (the "ADALB") review of its regulations, pursuant Governor Baker's Executive Order No. 562. We urge the ADALB to adopt this recommendation, highlighted below in bold.

212 C.M.R. 2.04(1)(e) Determination of Damage and Cost of Repairs. The appraiser shall specify all damage attributable to the accident, theft, or other incident in question and shall also specify any unrelated damage. If the appraiser **representing the insurance company** determines that preliminary work or repairs would significantly improve the accuracy of the appraisal, he or she shall authorize the preliminary work or repair with the approval of the claimant and shall complete the appraisal after that work has been done. The appraisers representing the insurance company and the registered repair shop selected by the insured to do the repair shall attempt to agree on the estimated cost for such repairs. The registered repair shop must prepare an appraisal for the purpose of negotiation. No appraiser shall modify any published manual (*i.e.*, Motors, Mitchell or any automated appraisal system) without prior negotiation between the parties. Manufacturer warranty repair procedures, I-Car, Tec Cor and paint manufacturer procedures may also apply. Further, no appraiser shall use more than one manual or system for the sole purpose of gaining an advantage in the negotiation process.

Plymouth Rock believes that the regulation, as currently written, is unambiguous, and when read in the context of the entirety of 212 C.M.R is crystal clear: the appraiser for the insurance company - and only the insurance company - can determine whether preliminary work or repairs would improve the accuracy of an appraisal.

However, we are painfully aware that a few repair shops in the Commonwealth have taken the untenable and self-interested position that a repair shop appraiser is permitted under this regulation to tear down a vehicle without the prior consent of the insurer. These shops assert that when a vehicle suffers from collision damage, a tear down is a "necessary step". This is patently untrue. Practically speaking, this "interpretation" of the regulation creates an opportunity for certain repair shops to unnecessarily tear down vehicles, and causes additional damage for their own financial gain. Such tear downs

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can decrease the salvage value when the vehicles ultimately are deemed total losses by the insurance company. These rogue teardowns delay the repair process, raise serious questions of fraud that must be investigated and further prolong the repair process, ultimately at the expense of consumers. The only entities that could benefit from such an unsupportable practice are the few repair shops engaging in unauthorized tear downs.

Our recommended change will not impact the claimants' rights to approve preliminary work. Indeed, we are not seeking to change *any* aspect of the claimants' role in the appraisal process. We merely seek clarification that the appraiser who determines the appropriateness of preliminary work is the insurer's appraiser, who will continue to authorize work "with the approval of the claimant." Our recommended change will not delay the repair process, as demonstrated by the reality that almost all repair shops we have worked with for over 30 years seek authorization for preliminary work and receive a response in short order.

For these reasons, we urge the ADALB to clarify that the appraiser "for the insurance company" must determine whether preliminary work is needed.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Henry", written over a horizontal line.

Kathleen C. Henry
General Counsel

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