



Wisconsin Insurance Alliance
 44 East Mifflin Street • Suite 201
 Madison, Wisconsin 53703
 (608) 255-1749 / FAX (608) 255-2178

Andrew Franken
 President

Alan Ogilvie
 Chairperson
 Capitol Indemnity Corp

Rick Parks
 Vice Chairperson
 Society Insurance

Jerry Kramer
 Secretary/Treasurer
 Badger Mutual Insurance Co

Members:

ACUITY
 American Family Insurance
 Ameriprise Auto & Home Ins
 Badger Mutual Insurance
 Capitol Indemnity Corp
 Church Mutual Insurance
 1st Auto & Casualty Insurance Co
 Germantown Mutual Insurance
 Homestead Mutual Insurance Co
 Integrity Mutual Insurance
 Ixonia Mutual Insurance Co
 Jewelers Mutual Insurance
 League of Wisc Mutual
 Liberty Mutual Group
 Manitowoc Mutual Insurance
 Maple Valley Mutual Insurance
 McMillan/Warner Mutual Ins
 Mount Morris Mutual
 Old Republic Surety Co
 Partners Mutual Insurance Co
 ProAssurance
 Progressive Northern Insurance Cos
 QBE Regional/General Casualty
 Racine County Mutual Insurance Co
 Rural Mutual Insurance Co
 SECURA Insurance Co
 Sentry Insurance
 Sheboygan Falls Insurance
 Society Insurance
 State Auto Insurance Cos
 Sugar Creek Mutual Insurance Co
 United Wisconsin Insurance Co
 Waukesha Cty Mutual Insurance
 WEA Property & Casualty Co
 West Bend Mutual Insurance
 Wilson Mutual Insurance
 Wisc American Mutual Insurance
 Wisc Assn of Mutual Insurance Cos
 Wisc County Mutual Insurance Co
 Wisc Mutual Insurance Co
 Wisc Reinsurance Corp

Associate Members:

A I G
 Allied Insurance
 Allstate Insurance
 Auto Club Insurance Assn
 C N A
 CUNA Mutual Insurance Group
 Farmers Insurance
 General Reinsurance
 Kemper Auto & Home
 Nationwide Indemnity
 S F M
 State Farm Insurance
 Travelers
 Western National Mutual Ins Co

To: Members of the Assembly Committee on Consumer Protection

From: Andrew Franken

Date: April 8, 2009

Re: Opposition to AB-121

On behalf of the Wisconsin Insurance Alliance, I ask you to oppose Assembly Bill 121.

Wisconsin residents spend more than \$2 billion dollars on auto insurance annually. Auto insurers return a significant portion of those dollars back into the local economy when they facilitate the repair of a customer's vehicle.

Auto insurers utilize direct repair programs (DRPs) because they help achieve timely, cost-effective and quality repairs for consumers. Among the 200 insurance companies authorized to sell auto insurance in Wisconsin, there are a variety of direct repair programs that companies may use to benefit their customers. It is also important to recognize that not all companies may use a direct repair program. While every company's direct repair program is different, the purpose of having them is the same:

- To provide timely repair of damaged vehicles
- To provide quality control and repair of damaged vehicles
- To provide cost-effective repairs of damaged vehicles.

Many of these direct repair programs pre-certify certain repair shops. Consumer surveys of those participating in direct repair programs consistently show a high degree of customer satisfaction. AB-121 creates an artificial barrier to the use of these repair programs. This proposal is classic "fence me in" legislation for a special interest group that does not want competition in the marketplace. While the advocates of this legislation say that it is all about providing "consumer choice," the actual language contained in the bill mandates new, burdensome requirements for auto insurers that will lead to discouraging insurers from using direct repair programs.

I ask that you please OPPOSE AB-121 in order to continue to allow your constituents to make an informed choice under existing state law.

Thank you for your consideration.

The Wisconsin Insurance Alliance (WIA) is a state trade association of property and casualty insurance companies. Our membership ranges from some of the largest property and casualty insurers in the country to some of the smaller Wisconsin town mutual insurance companies. The WIA currently represents 41 Wisconsin-domiciled property and casualty insurance companies and several associated non-domestic insurers.