

DIRECT REPAIR OPTION ISSUE BRIEF

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The Direct Repair Option Improves a Bad Situation – Auto accidents can be a stressful and unfamiliar situation for people. Most consumers want their agent to be able to guide them through the red tape to a quick, high quality repair. Direct Repair Programs were developed to improve customer satisfaction, simplify and speed repairs and allow the insurer to keep costs down and help eliminate fraud.

Direct Repair Options Increase

Consumer Satisfaction – According to a 2006 study by J.D. Power and Associates, “Consumers who took their vehicle to a direct repair provider—a body shop recommended by their insurance provider—were more satisfied than those who used a body shop without a referral or recommendation.”

Wisconsin has the Right Balance – Currently in Wisconsin, insurers are allowed to develop relationships with auto body shops and recommend a list of providers to consumers. Recommending shops and streamlining claims through those shops increases customer satisfaction according to a J.D. Power and Associates study. Wisconsin prohibits redirecting customers to one particular repair shop. According to the Study, “...among consumers who used a direct repair body shop, those who felt strongly encouraged to go with the insurer’s recommendation were significantly less satisfied.” This is balance that consumers want.

Direct Repair Options Streamline Paperwork – Many direct repair relationships allow customers to reduce the claims process that can include an adjuster, trips to multiple shops and difficult, time-consuming negotiations. Choosing the Direct Repair Option allows a customer to select a shop, receive an estimate and schedule repairs with one stop.

Direct Repair Options Assure Quality – Satisfaction among customers who have made a collision claim is closely tied to the repair experience. Insurers use their relationship with body shops to ensure customer satisfaction.

Direct Repair Options Keep Wisconsin Rates Low – Wisconsin has the third lowest auto insurance rates in the nation as a percentage of personal income. Offering the Direct Repair Option is a big part of maintaining low costs for Wisconsin consumers. Body shops value the increased business that can result from being a preferred provider for insurance companies. This value allows insurance companies to negotiate lower costs for customers, reduced paperwork, improved service guarantees and quicker repairs. All of these factors improve customer satisfaction. That is why all of the insurers with the highest customer satisfaction offer the direct repair option.

Banning the Direct Repair Option Hurts Consumers – Legislation that bans the Direct Repair Option outlaws insurance agents providing the advice and assistance that consumers want when they need it most. Most consumers expect their agent to guide them through an unfamiliar process. Banning this option prevents insurers from providing the services customers believe they are paying for.