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CollisionWeek News

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Consumer Group Publishes DRP Docs to Condemn Steering

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California-based consumer advocacy group, Consumer Watchdog, has published a collection of insurance company documents that they say expose anti-consumer practices of insurance companies and their direct repair programs and provide evidence of how insurers incentivize the use of "inferior parts."

One document, an email from an AIG Quality Control Analyst, tells DRP shops they "missed the mark" and need to increase the percentage of used and aftermarket parts. Another document, from a Mercury General DRP agreement, shows the discounts it demands on OEM and non-OEM parts- a pay structure that Consumer Watchdog says only incentivizes the use of "inferior parts."

The document was published as California Assembly Bill 1200 still awaits a second-chance vote in the Senate. AB 1200 is the bill being pushed by the insurance industry and authored by Assemblymember Mary Hayashi proposing to reverse the state's anti-steering laws.

"If the insurance industry would be honest, they would admit this is a bill about pressuring customers," Doug Heller, Executive Director of Consumer Watchdog told the California Progress Report, who published the DRP documents along with the group's "floor alert."

In the floor alert, Consumer Watchdog writes, "If insurers are allowed to pressure customers away from independent shops, repair shops will only be able to get business by following insurance company demands for cheaper parts and lower cost repair work, not by delivering customers safe and quality repairs."

"The big lie is that insurance companies want to send people to their preferred shops to benefit the customer, when in fact they steer customers to insurance-controlled body shops as their way of controlling their loss payments," Heller told the paper.

The group says that if any legislation is needed, it is to prohibit insurance companies from incentivizing the use of inferior parts and penalizing the use of original manufacturer parts.

Read the [California Progress Report article](#)

Download the [Floor Report and insurance documents](#)



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