

**Statement of the National Association of Mutual Insurance Companies
Senate Judiciary Committee
S.2834, An Act Relating to Businesses and Professions—
Automobile Body Repair Shop Licenses
June 5, 2014**

The National Association of Mutual Insurance Companies (“NAMIC”) strongly opposes S.2834, legislation that would create a dual licensing classification for auto collision repair licensees.

The proposed legislation is totally unnecessary. Should the auto body repair industry wish to establish a classification system for shops that provide certain services or own specific equipment, it can do so without intervention by the Legislature. Other industries have established standards, norms or certifications in order to distinguish themselves for their customers without a legislative mandate.

Typically, classifications serve a marketing purpose by allowing businesses within an industry to distinguish themselves from each other and to appeal to their target market. NAMIC does not oppose the auto body repair industry—or any other industry—from using market segmentation practices to foster greater competition in the marketplace. NAMIC’s objection to S. 2834 lies with the Legislature being asked to implement this marketing strategy on behalf of the auto body repair industry.

The Legislature has appropriately identified the *minimum* standards that an auto collision repair licensee should meet to ensure that consumers are adequately protected and collision repair workers operate in a safe work environment. Any “bells and whistles” beyond the minimum standards should be up to the individual repair shop based on the type of work it wants to do and the needs of its customers.

John P. Murphy
Director-State Affairs, Northeast Region
jmurphy@namic.org
(317) 876-4336

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country’s largest national insurers. Our 1,400 member companies serve more than 135 million auto, home and business policyholders, and write more than \$196 billion in annual premiums. In Rhode Island, our members write over \$700 million in auto insurance premium and collectively serve over 50 percent of the auto market.