

March-10-05

To: Members of the Business and Labor Committee
Montana House of Representatives

Subject: SB 388

Premise: There are certain benefits that a national collision repair company can bring to the independent collision repair facility that are attractive to consumers, insurers, and to the independent shop owners. Therefore it is in the best interest of the state of Montana to preserve the relationship between insurance companies and national collision repair companies or franchisors in order to attract the services provided for the benefit of the citizens of the state of Montana.

Benefits a Franchisee of a National Collision Repair Company.

- ◆ National training programs to provide consistent quality work product and program compliance;
- ◆ National standards of service, quality, and technology;
- ◆ National warranty programs (Five year Nationwide) to provide customer service in the event a customer relocates and requires assistance with a warranty issue; and
- ◆ Single point of contact (1 800 CARSTAR) in order to better service customers.
- ◆ Franchisor required HAZMAT and OSHA regulatory compliance programs.
- ◆ Fourteen-year history of CSI, customer satisfaction Index, standards and tracking.
- ◆ National vendor relationships to reduce the cost of materials and equipment through volume purchasing.
- ◆ Single point (Franchisor) assistance on HR, Legal, and Insurance issues.

Based on these benefits, national collision repair companies or franchisors are attractive to insurance companies in order to pass the benefits and to increase customer satisfaction. Therefore, insurance companies enter into relationship agreements with national collision repair companies or franchisors in order to provide these benefits that an individual shop owner cannot provide and such benefits should not be considered unfair. It is in the best interest of the citizens of the state of Montana to not preclude national relationships pursuant to 33-18-224(v) but instead acknowledge that insurance companies may have national or regional relationships with a national collision repair company that will not be a violation of SB 388 in order to continue to attract and give national services at the local level for the consumers of Montana.

Lloyd Taylor

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