

EXHIBIT NO. 11  
DATE 3-17-11  
BILL NO. HB 264

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March 10, 2011

HAND-DELIVERED  
Andrew Geiger**RE: HB 264 Testimony**

Dear Mr. Geiger:

As you know, I represent State Farm Insurance Companies in Montana. I am quite concerned about the testimony of the President of the Montana Collision Repair Specialist, this morning, and make urgent request for clarification.

State Farm takes its roll as one of the largest auto insurance companies in Montana very seriously, and is keenly aware of its duty to remain compliant with all Montana laws. Over the decades State Farm has played a pivotal role in creating both the privacy provisions of the Montana Insurance Code as well as the anti-fraud provision.

My concern stems from Mr. Halcro's statements this morning at the HB 264 hearing. I have reviewed this morning's transcript and find that Mr. Halcro indicated that he was aware of "attempted fraud by insurance companies." He also stated that there are "at least three insurance companies that direct consumers to specific shops." He went on to say that "they are proud of it, its their business motto."

Mr. Halcro never identified any specific insurers. Of course, his comments bring every insurer in Montana into question. In fact, his comments have already been published on the internet. Based on these statements, State Farm would like Mr. Halcro to identify the companies which he referred to this morning. Also, State Farm would like to know when Mr. Halcro filed the mandatory reports to the State Auditor's Office as required under the Montana Insurance Fraud Protection Acts, specifically 33-1-1303. Finally, State Farm would like to know when and against whom Mr. Halcro filed complaints regarding the anti-steering provision of the Montana Insurance Code.

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I am sure that you can understand State Farm's sensitivity to these vague assertions made in a public forum which is broadcast worldwide. For this reason, we ask for your immediate response.

Sincerely,



Greg Van Horssen



# ***MCRS*** Montana Collision Repair Specialists

**Memorandum**  
**March 14<sup>th</sup>, 2011**

**TO: Montana Senate Business, Labor, and Economic Affairs Committee**

**FROM: Bruce Halcro, MCRS Board President**

**RE: State Farm**

*BH*  
Please accept this letter as an informational response to the March 10<sup>th</sup> letter from Greg Van Horssen to our representative, Mr. Geiger, that was distributed to your Committee. First I must correct a couple of misquotes. In the internet posting to which Mr. Van Horssen refers, a Montana Watchdog post, they refer to my saying insurance companies direct customers to specific shops for "repairs" when I had in fact said "estimates." The reality we face is for most people with busy lives it becomes a matter of convenience to just get the repair process under way. Secondly, Mr. Van Horssen's letter quotes me as saying this is their "business motto" when I in fact said "business model."

That said, our association's board unanimously feels this letter from a law firm is nothing more than an attempt to deflect attention away from the simple issues addressed in HB264. My testimony clearly stated that we believe this bill would reduce "attempted fraud not only by the consumer but also by the insurance companies or repair shops." We are all in this boat together when it comes to compliance with state law, and I in no way directed my comments at Mr. Van Horssen's client, State Farm, nor any other insurance company as I was instructed this was against legislative protocol. When we have discussions with Mr. Laslovich at the Insurance Commissioner's office we are direct in our questions and concerns, and it is my understanding that these are a matter of public record for any party to inquire about.

From my conversations with him, it is very clear Mr. Geiger has no plans to respond to Mr. Van Horssen nor any of his partners listed on the firm's letterhead with regard to my comments; it is my sincere hope this memo suffices as a response with regards to the Senate Business and Labor Committee and we thank you for your continuing work on these issues.