



CSAA Insurance Group
P.O. Box 5483
Mount Laurel, NJ 08054
(888) 222-0086 - Phone

To: The Honorable Members of the Senate Banking & Insurance Committee

From: Janine Merlino, Physical Damage Manager for the Eastern Region, CSAA Insurance Group, a AAA Insurer

Re: House Bill 1638 – Motor Vehicle Physical Damage Appraiser Act

Thank you, Chairman, and members of the Committee. As the Physical Damage Manager for CSAA IG for the Eastern Region who has worked in this area for 20 years, I appreciate the opportunity to speak to you today about a bill that we believe will help our policyholders.

I have three main points I would like to share with you today to encourage you to support this legislation.

1. **This legislation in no way lessens the current requirements of the PA Motor Vehicle Physical Damage Appraisers License.** The existing statute protects consumers by requiring appraisers have a certain amount of experience before being able to become licensed. The law requires the passage of a written exam. The law requires that appraisers write an estimate that will restore the vehicle to pre-damaged condition. Finally, the law requires that appraisers review the estimate with a body shop representative. As you know, there are consequences if a licensed appraiser does not follow the current law – including forfeiture of their license.
2. **This bill includes many benefits to everyone involved in the auto repair process.** Permitting digital appraisal increases insurer efficiency, reduces expense, decreases the overall time it takes to complete a repair estimate and improves customer service. The ability to use digital images is voluntary and not forced on any party. It is convenient to consumers who may have time limitations. Use of digital images has been shown to reduce cycle time by one-half and returns the car to the consumer much sooner.

3. Data shows that use of digital appraisals provides benefits without harm to auto repair facilities or consumers.

Results/Data comparing NJ which allows for digital appraisal vs. PA which does not allow it.

- Similar geography – consumers go back and forth, same labor rate, same mix of vehicles
- More supplements - Supplement rates: Comparable, within 2-3%
- Lower Estimates - Average Gross Estimate: Comparable, within 2 – 2.5%
- Safety concerns have never been an issue in states that allow digital appraisal
- Fewer repairs - Repair percentages, no data to support fewer repairs
- Longer repair time - Rental data: Comparable, less than ½ day variance between states