

## The Insurance Federation of Pennsylvania, Inc.

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**Samuel R. Marshall**  
President & CEO

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

From: Samuel R. Marshall

**Re: House Bill 1638 – allowing a licensed appraiser to use photographs in making estimates on auto claims**

Pennsylvania law mandates that an auto appraiser not make repair estimates “in any manner other than a personal inspection.” This bill makes a modest and logical amendment to this: It allows the appraiser to consider photos at the consumer’s option and after the consumer is informed that submitting photos is his or her option.

We support this as a matter of policyholder convenience: The policyholder won’t have to wait for an appraiser to come to him; by using photos or videos, he can come to the appraiser. That speeds up the claims and repair process. That’s good for insurers, and it is good for our policyholders, because accurate, convenient and efficient estimates get them back in their cars.

We live in a world where photos are easy to take and to send, where they are accurate, and where most consumers are comfortable using them. Photos are common in commerce and litigation, and they are common in Pennsylvania in the handling of other property damage claims. That happens without incident or clamor to legislatively limit their use. And this bill doesn’t go that far in allowing auto appraisers to consider photos – it only allows them at the consumer’s option.

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There's been a lot of e-mail traffic from some repair shops saying this bill will be devastating to consumers. They say this is an effort by insurance companies to underpay and deceive our policyholders in auto claims, that it will significantly delay repair times, and that it may even result in unrepaired and unsafe cars on the road.

We recognize the skepticism our industry faces. But those are unfounded accusations and fears. They ignore the bill and the law it amends, as well as common business sense and the experience across the country.

- First, the bill doesn't do away with licensed appraisers, or dilute their responsibilities, including the requirement that "the operational safety of the vehicle shall be paramount." It doesn't undermine the requirements for an estimate – that it works as a practical matter and is subject to change as repairs progress. It doesn't change the consumer (and repair shop) protections in the Appraiser Act and accompanying regulation: The appraiser still has to give the estimate to the consumer and his repair shop with full explanations and opportunities to raise questions and concerns.
- Second, the bill doesn't short-change our policyholders. We use photos in auto estimates in most other states, and we have no reason or experience to believe allowing the option of photos in Pennsylvania will result in lower estimates or reduced payments on claims. Granted, seeing is believing – but that can be just as accurate by photo as in-person.
- Third, the bill won't lower the number of repairs or allow unsafe cars on the road. Again, photos are used in most other states, and we don't see fewer repairs being made or an increase in subsequent accidents.

If any of those concerns were remotely valid, some enterprising lawyer would have filed a bad faith claim, or some insurance regulator would have brought an unfair practice charge. That hasn't happened.

This bill makes a difficult situation a little easier for consumers. That's a good thing, and we ask for your support.