

January 22, 2025

Chair Dan Ruby and Members of the Committee
Committee on Transportation
North Dakota House of Representatives

RE: House Bill 1359 – Repair Shop Preference – Oppose

Dear Chair Ruby and Members of the Committee:

The National Insurance Crime Bureau (NICB) is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in North Dakota. Working hand-in-hand with our member companies and North Dakota law enforcement, we help to detect, prevent, and deter insurance crimes, including vehicle theft. While NICB provides value to our member companies, we also serve a significant public benefit by helping to stem the estimated billions of dollars in economic harm that insurance crime causes to individual policyholders across the country every year.

Vehicle collisions often cause significant strain on victims. In addition to dealing with any serious injuries that may result, victims must often report to law enforcement and file insurance claims. Handling ongoing medical issues; managing follow-up appointments with either medical professionals, insurance carriers, or law enforcement agencies; providing additional written material that may be required; and finding a reputable vehicle repair shop all pose significant burdens on victims as they deal with the after-effects of their misfortune.

An insurer preferred repair shop provides an efficient method for vehicle owners to find a reputable shop. Preferred repair shops are vetted by the insurer reducing the risk of fraud through inflated repair invoices, including charging egregious storage and other administrative fees. NICB has seen an increase in unscrupulous repair shops charging hundreds of dollars per day in storage fees, creating a perverse incentive against the timely repair of a vehicle. These storage and administrative fees are not part of initial repair estimates, which focus on parts and labor, and are only added to the bill after repairs are complete.

A repair shop preference is a suggestion—not a requirement. A vehicle owner may freely utilize other shops that they know to be reputable.

House Bill 1359 would restrict insurers from informing their insureds of reputable repair options after a collision. The restriction of this information would make North Dakotans more vulnerable to potential fraud.

Accordingly, we ask that you vote No on House Bill 1359.

We thank you for considering our views as you deliberate the merits of the bill. If you have any questions or need additional information, please contact me at csepich@nicb.org or (847) 772-7667.

Sincerely,

Craig Sepich

Craig Sepich
Director
Office of Strategy, Policy, & Government Affairs
National Insurance Crime Bureau