



JAMES H. "JIM" BROWN  
COMMISSIONER OF INSURANCE  
STATE OF LOUISIANA

P.O. Box 94214  
BATON ROUGE, LOUISIANA 70804-9214  
PHONE (225) 342-5900  
FAX (225) 342-3078  
<http://www.idi.state.la.us>

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STATE OF LOUISIANA  
Advisory Letter Number 99-01

TO: All Property & Casualty Insurers  
and the Collision Repair Industry

RE: Repair of Motor Vehicles

Introduction

The Louisiana Department of Insurance is responsible for the regulation of the insurance industry to protect the insuring public. Although the Louisiana Department of Insurance does not have regulatory authority over the collision repair industry, the interaction of the insurance industry with the collision repair industry in the repair of motor vehicles belonging to the insuring public necessarily involves the Louisiana Department of Insurance.

Purpose

The purpose of this advisory letter is to inform all interested parties of suggested guidelines to facilitate the satisfactory resolution of automobile claims. These guidelines should be considered in their entirety and should aid in resolving the vast majority of conflicts that arise, resulting in the best possible service to consumers and the collision repair industry.

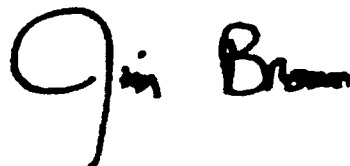
Advisory Notice

The Department of Insurance sets forth the following guidelines and encourages all parties involved to work together for the benefit of the insuring public. These guidelines will be used by the Department of Insurance to aid in resolving consumer complaints.

Guidelines

- Acknowledge that collision repair facilities should receive payment for repairs, procedures, parts and materials which are necessary to restore vehicles to their pre-accident condition relative to safety, function, and appearance regardless of prevailing market practice and provided that there is prior knowledge and agreement between the involved parties.
- Acknowledge that recommendations of vehicle and paint manufacturers and industry procedure manuals, including information provider software, should be utilized to determine necessity of repair procedures, parts and materials. Information resources include, but are not necessarily limited to, technical bulletins and manuals produced by the vehicle and paint manufacturers as well as by Mitchell™, CCC™, ADP™, Motors™, I-Car, UPCR (Uniform Procedure for Collision Repair) and Tech-Cor™.
- Acknowledge that decisions by individual repair centers not to charge for specific repairs, procedures, parts and materials from time to time should have no effect on payment to those facilities when they charge for the same necessary repairs, procedures, parts and materials.
- Acknowledge that the collision repair consumer is entitled to complete industry defined quality involving necessary repairs, procedures, parts and materials to their vehicles utilizing all recognized industry repair methodology and collision repair part alternatives. The consumer should be given the benefit of both quality and economic cost control, provided there is prior knowledge by the involved parties and the vehicles are restored to their pre-accident condition relative to safety, function and appearance.
- Prevent fraudulent acts by any and all parties involved including collision repair centers, consumer, vendors and insurance companies.

This statement of principles was developed with input from an ad hoc task force composed of members of the insurance industry and the collision repair industry, including representatives of the Louisiana Collision Association, National Collision Marketing Institute of Louisiana Tech University, State Farm Insurance Companies, Allstate Insurance Companies, USAgencies Casualty Insurance Company, Independent Insurance Agents Association and Professional Insurance Agents Association.

A handwritten signature in black ink that reads "Jim Brown". The signature is stylized, with a large, looped "J" and a cursive "Brown".

James H. "Jim" Brown  
Commissioner of Insurance