

March 5, 2025

Mike Leib, Beaverton, Or

Chair Prozanski and members of the Committee,

My name is Mike Leib, and I am the Vice President at Precision Body & Paint Inc. We are a locally owned collision repair business with 50 years in business and 5 locations in Oregon. As the state's most independently certified collision repair facility, we hold over 25 combined vehicle manufacturer certifications, including being Oregon's one and only Porsche and Audi structural repair facility. This means that my team is extensively trained and independently audited by multiple organizations and manufacturers to ensure we perform safe and high-quality repairs on our customers' vehicles.

I am here today because I am deeply concerned about the troubling trend among insurance companies and their representatives, who are failing to properly indemnify consumers following a loss. In many instances, representatives from insurance companies provide false or misleading information, such as claiming that safety inspections and repair procedures are simply "guidelines" and not necessary for proper repair. In some cases, they intentionally create delays by shifting the channels through which documentation needs to be submitted only to respond with unsubstantiated denials or flatly lie when communication is documented in writing.

With the advent of crash avoidance safety systems in most new vehicles, the insurance industry has benefited from a documented decrease in bodily injury claims and cost as a result of their inclusion as standard options but routinely fail to fully reimburse the costs of repair and calibration to these same systems after a collision.

This leaves customers to face an impossible choice: pay significant out of pocket expenses to ensure their vehicle is properly repaired, or take the vehicle to an insurance approved repair facility that is required to repair a vehicle based off the guidelines of the agreement between the shop and insurance. These shops can't argue on behalf of the customer or they will lose referrals that keep them working which usually leaves critical safety items unaddressed or worse unrepaired.

Furthermore, insurance adjustors often lack the qualifications or proper manufacturer specific training to make informed decisions about repair procedures. Instead of prioritizing safe and quality repairs, insurance companies focus on cost containment and profitability. This effectively strips consumers of their right to choose the shop they trust for repairs as outlined in ORS 746.280.

In the past, my company has been able to provide clear documentation to the insurance providers proving the necessity of the repairs we bill for. However, since the onset of Covid-19, this has changed. Many insurance providers now seem less concerned about procedures and safe repairs, prioritizing cost over quality. We are finding that the frequency of unapproved items has increased by more than 200% since the beginning of the pandemic. Independent repair shops like mine are left to defend our positions at the expense of our time, resources, and reputation.

Since repair agreements are between the shop and the consumer; and the insurer typically contracts directly with the customer, our business has limited ability to protect the consumer. As a result, they are left without adequate support and must often bear significant out-of-pocket expenses such as legal fees, rental car costs, and lost wages, just to secure the indemnification they rightfully deserve.

To be abundantly clear, if I cared about profits over safety, I would not be here today. I would sign agreements to repair cars the way insurance companies are approving. There is significantly more profit available to the business when repairing vehicles to their standard. It requires less administrative time, lower materials cost, and higher parts profitability through the use of alternative parts.

I strongly urge you to support ALL Oregonians by adopting SB 174 to address this critical issue.

Thank You for your time.

Mike Leib
Vice President
Precision Body & Paint Inc