

Estimated Financial Losses due to Insurance Industry Manipulation and Influence on Collision Repair Labor Rates.

- There are approximately 400 collision repair shops in Connecticut.¹
- The average shop sells about 12,000 labor hours per year.²
- The average collision repair labor rate offered by insurers is about \$30 less than mechanical repair rates.³

400 shops X 12,000 labor hours X \$30 per hour = 144 million lost revenue to collision repair shops annually.

144 million X 6% Connecticut Sales Tax = \$8,640,000 lost from General Fund.

That 144 million would be additional income for collision repair technicians, their families, and for the shop owners. Millions in Federal and State Income Taxes are also lost.

144 million X 30% Federal Income Tax = 43.2 million lost from the Federal tax funds.

144 million X 4% Connecticut Income Tax = another 5.76 million lost from Connecticut General fund.

That 144 million after taxes = 95 million put back into Connecticut's economy, which could generate another 5.7 million in Connecticut Sales Taxes.

- Insurance industry Property/Casualty profits for 2006 totaled just shy of 60 Billion dollars. The 144 million lost to Connecticut = .01% of that profit.⁴

¹ Number of shops estimated by Auto Body Association of Connecticut.

² Benchmarks compiled by Akzo Nobel's ACOAT members.

³ Based on average mechanical rate of \$75 and insurance company fixed rate of \$45.

⁴ MSNBC.com, insurancejournal.com