

NEW HAVEN REGISTER

Published on the Internet June 19 and in print on June 20, 2013

Milford attorney helps secure \$20 million against insurance company

By Kristin Stoller



The Hartford Insurance Co. was ordered earlier this month to pay \$20 million in punitive damages to state auto repair shops because of a lawsuit led by the Auto Body Association of Connecticut.

This comes in addition to the nearly \$15 million in compensatory damages already awarded in a jury verdict in 2009 after the 10-year-long lawsuit.

The Auto Body Association said The Hartford steered people it insured to auto body repair shops favored by The Hartford, which violated state law, according to court documents.

They also claimed The Hartford made its independent appraisers establish an “artificially low” standard of hourly labor rates for auto body repair work in Connecticut, using both positive and negatives incentives, according to court documents.

Superior Court Judge Alfred J. Jennings, Jr., will “award the Association attorneys’ fees — the amount not yet unspecified,” according to a press release issued by the Auto Body Association.

However, The Hartford filed an appeal earlier this week, so the Auto Body Association has not received any money yet, said Attorney David Slossberg of Hurwitz, Sagarin, Slossberg and Knuff, of Milford, co-counsel for the Auto Body Association.

“This is the last in a series of efforts by The Hartford, despite losing one decision after another, to delay the day of reckoning,” Slossberg said.

At the end of the day, Slossberg said he hopes all small businesses will be able to earn a fair wage for their work.

“I think the judge did the right thing in this,” said Auto Body Association President Tony Ferraiolo, owner of A & R Body Specialty in Wallingford. “He took a long time to make his decision and he saw a large entity was taking advantage of a small group of hardworking shops.”

If the appeal fails, Ferraiolo said he believes about 1,000 shops are eligible to receive money from The Hartford

Slossberg said even those companies that have since gone out of business but were originally damaged are likely to have claims. After Jennings’ ruling on the appeal, all the members of the suit can apply to have their portion distributed to them, he said.

“We’re disappointed with the ruling and have appealed,” said Thomas Hambrick, a spokesperson for The Hartford.

In May, Jennings issued permanent injunction relief sought by the Auto Body Association. This order prohibits The Hartford from interfering with the judgment of or threatening state motor vehicle physical damage appraisers, as well as filing a Quarterly Compliance Report, according to court documents.

In 2006, the Superior Court certified the lawsuit on behalf of about 1,500 auto body shops in the state and was supported by the Supreme Court again in 2008 after The Hartford appealed, according to the release.

The case went to trial in 2009, after a jury found The Hartford “improperly forced auto body shops to charge lower labor rates than general market conditions otherwise allow, in effect strangling the industry by exerting undue influence on its appraisers,” according to the release.