



Independent Insurance Agent

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4/17/18

Catherine Warren, Esq, Hearing Officer
One Capitol Hill, 4th floor
Providence RI 02908

Mitchell International Inc- Total Loss Valuations

Dear Ms Warren:

I believe that Mitchell International Inc should not qualify as conforming with Rhode Island law to be used as a total loss valuation system.

Mitchell is not recognized by the public as opposed to NADA and Kelly Blue Book, whom the public recognizes and has access to their valuations to confirm a fair offer. Only insurers and body shops recognize Mitchell. A recognized and trusted source to the consumer should be important in the decision because the consumer has no practical recourse if a low offer is rendered by an insurer. The consumer is bound by the auto insurance policy contract which only allows an expensive arbitration provision if an offer is not reasonable. If an offer is \$3,000 less than what it should be the consumer would probably have to spend more than that for the cost of arbitration.

I would also contend that Mitchell is not in the automotive industry. They are in the crash repair business and insurance valuation business. If they were considered in the automotive business because they provide values for rental cars, as they claim, that would not seem fair to consumers to meet the retail fair market value standard. Former rental cars are worth less or at least very different than a similar car that was privately owned, which are the vast majority of used vehicles.

The insurers have been raising their prices the last four years and are already collecting for any increased cost that the NADA or Kelly book values might be causing. Consumers are already paying premiums based on the NADA and Kelly valuations. If a method with lower values is allowed it would seem like a windfall for insurers. Consumers would rather pay \$1.00 more on their policy than get a big disappointment when they find out what an insurer is willing to pay when there is a total loss. Complaints from consumers have virtually disappeared since the NADA and Kelly valuations have become the standard.

Some of my beliefs may not meet strict legal interpretations however if there is any ambiguity in the strict legal language, good public policy and deference to the consumer's inferior position in the contract of adhesion should lean in the consumer's favor.

Sincerely,

Ernest Shaghalian, Jr, CPCU, AAI