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AASP/NJ: Charles Bryant - Executive Direc

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AASP/NJ Speaks out on State Farm \$250 Million Settlement

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September 10, 2018 Alana Bonillo Latest News

9.10.18 – The collision repair industry was recently stunned by news that State Farm, the largest auto insurer in the nation, was granted preliminary approval of a \$250 million settlement in lieu of going to trial in a federal class action suit (*Hale et al. v. State Farm et al.*) accusing the company of rigging the Illinois justice system to overturn the \$1 billion-plus verdict in the *Avery et al. vs. State Farm* aftermarket parts case of 1999.

The settlement was announced September 4, the same day the trial was set to begin in East St. Louis, IL. State Farm was accused of concealing millions in campaign contributions to Illinois Supreme Court Justice Lloyd A. Karmeier prior to the Court reversing the Avery verdict in 2005. The Hale suit sought nearly \$10 billion in damages. State Farm claimed the reason behind settling was to put an end to the litigation and prevent a lengthy legal process. A final fairness hearing has been set for December.

Alliance of Automotive Service Providers of New Jersey (AASP/NJ) President Jerry McNee and Executive Director Charles Bryant have spoken out about this recent development. McNee says he was not surprised that State Farm would want to settle before the case gained too much public traction.

“It’s just how big business works – or insurance companies, in this case. They realize they are in a jam and are willing to throw money at something to protect themselves in the long run, which makes it tough for the smaller businesses like the body shops to compete with the big giants in the industry. It’s believed that they paid to have this judge put in place; for repayment, he ruled in their favor, and that’s something that body shops just don’t have any privilege to. It’s hard for the body shops to have any traction when they are up against the bullies because they are making all the laws, rules and regulations. Even when they are wrong, they have someone willing to side with them.”

Bryant called it a “travesty of justice.”

“When I heard about the settlement, I first thought that maybe I was dreaming. I could have swallowed heavy and lived with a \$250 million settlement to bring this to an end. To hear that State Farm gets to deny liability and consider the claims without merit after 20 years of litigation that started because an insurer attempted to shortchange its own insureds, ultimately going so far as to be accused and sued for basically buying a judge to get its way while claiming to be ‘your good neighbor’... That will never sit right with me. Anyone who conducts themselves in such a manner is not someone I would consider a good neighbor.”

For more information on AASP/NJ visit aaspnj.org or call (732) 922-8909.

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