

Texas Towing & Storage Association Response Property & Casualty Insurers Association of America 2018 Towing Survey Analysis

The Texas Towing & Storage Association (TTSA) is the oldest organization representing towing, recovery and storage professionals in the state. TTSA provides education and training to its members and advocates for the industry at the local, state and national level. For more than 40 years, TTSA has worked with the Texas Legislature and executive branch agencies to promote a fair and safe climate for our customers and a healthy business environment for the industry.

Background: The Property & Casualty Insurers Association of America (PCI) published a document entitled *2018 PCI Towing Survey Analysis* highlighting the key findings of a survey of insurance company employees. Below are the insurance industry's claims about Texas and TTSA's factual response.

PCI Claims: *Houston and Dallas rank number one and two on the list of U.S. cities with the most hostile towing markets for consumers and Texas is the state most in need of pro-consumer towing reforms, according to a new national towing survey conducted by PCI.*

TTSA Response: The Texas towing and vehicle storage industry is the most highly regulated in the country. Chapter 2303, Occupations Code is dedicated to vehicle storage facility laws and Chapter 2308, Occupations Code relates to towing. The Texas Department of Licensing and Regulation is charged with implementing the laws and regulating both segments of the industry. The rules governing the vehicle storage industry are in Chapter 85, 16 Texas Administrative Code and the towing rules are in Chapter 86, 16 Texas Administrative Code. Regulation includes licensing of towing and vehicle storage companies, towing operators and vehicle storage facility employees. Industry daily operations and practices are prescribed in statute and rule including (but certainly not limited to) timely notifications, storage fees, signage, hours of operations, securing vehicles, release of vehicles, equipment requirements, inspections and maximum private property towing rates. Additionally, municipalities are authorized to regulate the industry and Texas' major and mid-size cities do so including setting rates for non-consent towing.

Consumers with concerns regarding towing and vehicle storage facilities may file complaints with the Texas Department of Licensing and Regulation that investigates all complaints. Additionally, consumers may have a tow hearing at a Justice of the Peace to contest unauthorized towing and excessive towing fees (Subchapter J, Chapter 2308, Occupations Code).

TTSA believes that many of the problems cited by the insurance industry are actually with unregulated body shops. Body shops may charge any fees they choose for vehicle storage and they are not required to fulfill consumer protection requirements such as having licensed employees, notifications, securing vehicles, timely release of vehicles, and signage.

PCI Claims: *Excessive rates and fees were identified as worst problem insurers and consumers face with towing companies. When dealing with rate and fee issues, excessive daily storage rates were selected as the most frequent problem insurers encounter.*

TTSA Response: In Texas vehicle storage fees are set in statute (Section 2303.155, Occupations Code) and have not changed in more than a decade. Further, the Texas Department of Licensing and Regulation sets maximum private property towing rates (Section 2308.0575, Occupations Code). Municipalities have the authority to set all non-consent towing rates.

Consumers and insurers may file complaints with the Texas Department of Licensing and Regulation or contest unauthorized tows and excessive towing fees at a hearing before a local Justice of the Peace.

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TTSA recognizes that this problem exists; however, we find it to be an issue related to body shop repair facilities, and again, the body shop industry unlike the towing and storage industry is unregulated and consumer protections are nonexistent.

PCI Claims: *Release process issues were the most frequent problem faced among access and release issues.*

TTSA Response: Texas statutes and rules require vehicle storage facilities to release vehicles upon payment of towing and storage fees (Section 2303.160, Occupations Code; 16 Texas Administrative Code, Section 85.710). Again, consumers may complain to the Texas Department of Licensing and Regulation or contest unauthorized tows and excessive towing fees at a hearing before a local Justice of the Peace.

Again, TTSA recognizes that this is a problem, however, we believe it is an issue with unregulated body shops.

PCI Claims: *Other frequent problems consumers and insurers encounter include towing company practices that make it difficult to recover a vehicle or even gain access in order to get personal effects or commercial cargo.*

TTSA Response: Texas statutes and rules require vehicle storage facilities to release vehicles upon payment of towing and storage fees (Section 2303.160, Occupations Code; Section 85.710, 16 Texas Administrative Code). Texas Department of Licensing and Regulation rules require access to vehicles by vehicle owners as well as insurers (Section 85.708, 16 Texas Administrative Code).

TTSA recognizes that this problem exists; however, we believe this is problem related to body shops, which unlike the towing and storage industry is unregulated with no consumer protections.