



APCIA Towing Survey 2024



**American Property Casualty
Insurance AssociationSM**

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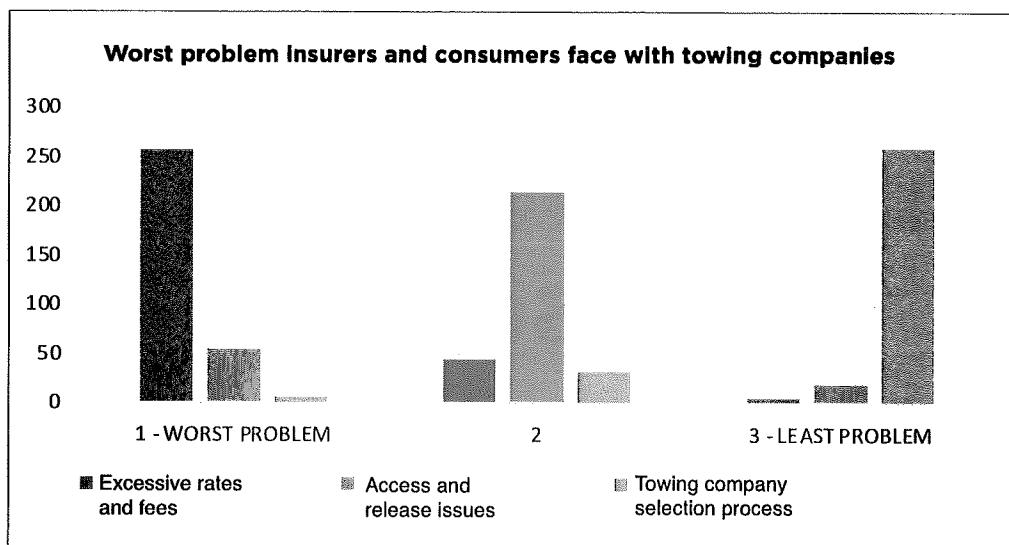
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INTRODUCTION

APCIA surveyed its members in late 2023 to identify the most significant and frequent towing issues they face and where these issues most often occur. A similar survey was conducted in 2011, 2015 and 2018. This year there were 320 respondents to the survey. Over the years, respondents have consistently chosen excessive rate and fees as the worst problems related to towing and they did so again this year.

The following chart shows that excessive rates and fees were the worst problem respondents identified, followed by access and release issues, and then towing company selection process issues.

WORST PROBLEM EXCESSIVE RATES AND FEES



In this year's survey, both Commercial and Personal Lines insurers said excessive rates and fees were the worst problems for consumers and insurers. However, Commercial Lines insurers were slightly more likely than Personal Lines insurers to say that excessive rates and fees were the worst problem insurers and consumers face with towing companies.

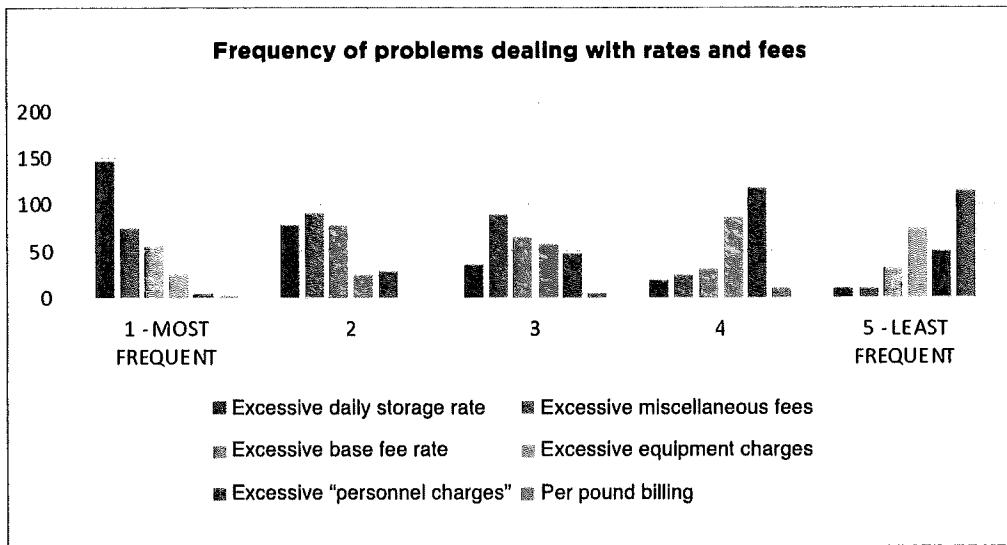
MOST FREQUENT PROBLEM DEALING WITH EXCESSIVE RATES AND FEES

With excessive rates and fees being the worst problem, we explored this issue in more depth and found that charges for excessive daily storage fees were the most frequent problem that was encountered.

The second and third most frequent problem encountered was excessive miscellaneous fees and it was followed by excessive base fee rates, excessive equipment charges, excessive "personnel charges," and per pound billing.

When insurers call to discuss excessive charges, too often this is the response they receive:

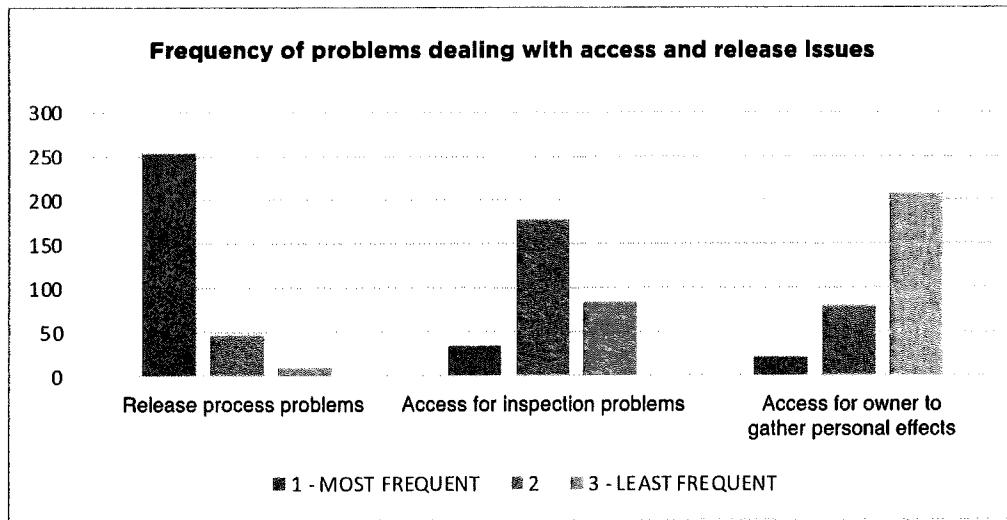
"I had an auto repair shop tell us that they were going to add an additional \$35.00 to the charges every time we called to discuss the excessive charges they were asking for."



While both Commercial Lines and Personal Lines writers ranked excessive daily storage rate as the most frequent problem, Commercial Lines writers were more likely to rank excessive daily storage rates as the most frequent problem. Meanwhile Personal Lines writers were more likely to rank excessive miscellaneous fees as the second most frequent problem.

MOST FREQUENT PROBLEM DEALING WITH ACCESS AND RELEASE ISSUES

Overall, participants ranked access and release issues as the second worst problems for consumers and insurers. Of the access and release issues, the release process was ranked as the most frequent problem followed by access for inspections and access for owners to gather personal effects.

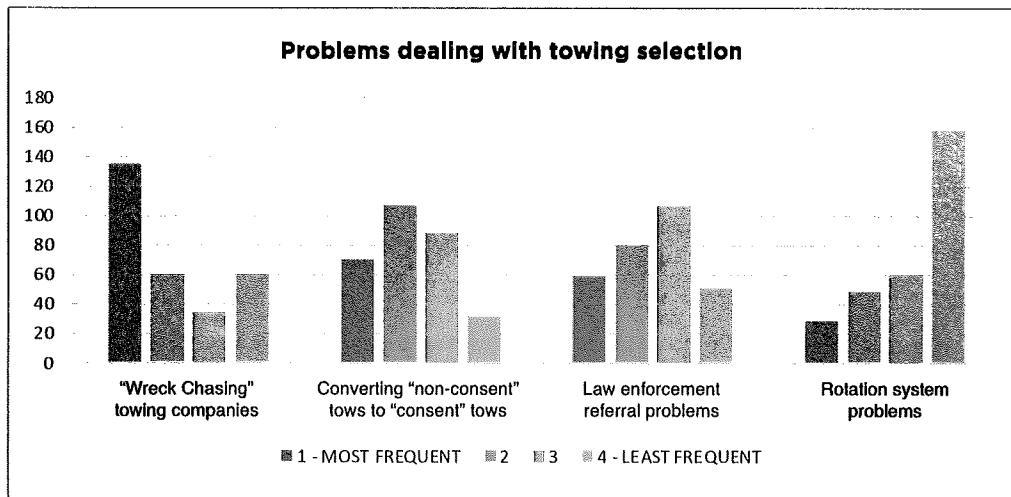


While both Commercial and Personal Lines writers ordered the frequency of problems the same, Commercial Lines writers were more likely to rank access for inspection problems second compared to Personal Lines writers.

We'll call (the tow facility) to get charges and they'll say they aren't ready, making us wait another day and pay another day of storage.

MOST FREQUENT PROBLEM DEALING WITH TOWING COMPANY SELECTION

Towing selection problems were ranked as the third word problem insurers and consumers face. The respondents ranked "Wreck Chasing" towing companies as the most frequent problem of this type that consumers and insurers face. This was followed by towing companies that try to convert "non-consent" tows to "consent" tows to avoid state/city/municipal regulation, then law enforcement referral problems and rotation system problems were ranked as the least frequent problem listed.



Personal Lines and Commercial Lines writers both ranked the frequency of problems similarly, although Commercial Lines writers were more likely than Personal Lines writers to say rotation system problems were a problem.

A driver called the insurance company from the scene of the accident and the insurance company arranged for a towing company to tow the customer's vehicle. An unsolicited towing company showed up at the scene within the same time window the customer was given and assumed the tow company was from the insurance company. The accident happened at approximately 8PM. By the time the insurance company called to inspect in late morning the next day, the tow company advised the towing/storages fees were \$8,950.00. The charge for one day of storage was \$200.

A driver was made to sign a tow release while in the hospital (the tow driver found out which hospital our insured was taken to and brought her the form to sign). We found out that the tow vendor was a "wreck chaser" and had exorbitant "gate" fees, and extra equipment fees. Our insured (due to their condition) did not review the bill prior to signing and was only made aware of how high the fees were after their release.

OVERALL, THE FOLLOWING FIVE CITIES WERE RANKED AS MOST PROBLEMATIC FOR TOWING ISSUES

While several of the cities in the top five have had persistent towing issues, Philadelphia re-emerged on the list and Atlanta was included this year. Houston and Dallas fell to number six and seven. A total of 63 cities were mentioned as problematic including a several Canadian cities. This highlights that towing issues are found in a wide range of small, medium and large cities.

RANK	CITY	PERCENTAGE
1	Chicago	41.25%
2	New York City	37.50%
3	Philadelphia	33.13%
4	Los Angeles	30.00%
5	Atlanta	24.69%

STATES MOST IN NEED OF PRO-CONSUMER TOWING REFORMS INCLUDED

While the order of states has changed, nearly all the same states in 2021 remain listed among the top five needing reform. However, New Jersey fell out of the top five. Participants listed every state as needing reform. This is an indicator of how widespread towing issues are around the country.

RANK	STATE	PERCENTAGE
1	Pennsylvania	47.27%
2	California	43.64%
3	New York	38.18%
4	Texas	36.36%
5	Illinois	34.55%