

Consumer pays for insurance policy, in exchange for a promise to “pay for collision repairs.” The “**Contract of Insurance**”



“**Referral Shop Contract**”  
Not all shops have these.  
*What is the exchange here?*

Shop agrees to quality and workmanlike repairs in exchange for payment. The “**Contract of Repair**”



## The relationship between the Consumer, Insurance Company and Repair Shop.

*When a consumer files a claim with their own insurer, it is known as a “First Party Claim”*

MA Auto Policy, 7<sup>th</sup> Edition

Part 7, Collision (in part)

Under this Part, **we will pay** for any direct and accidental damage to your auto caused by a collision....We will pay the cost to physically repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of the **collision**. The most we will pay will be either the actual cash value of the auto or the cost to physically repair the auto, whichever is less. **We will, at our option, repair the auto,...or declare the auto a total loss.**