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Date: May 4, 2007

To: Assembly Member Mark Leno, Chair
Members, Assembly Appropriations Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Michael A. Paiva, Senior Legislative Advocate
Ermelinda Ruiz, Legislative Advocate

Re: AB 1483 (Carter): Automotive repair: crash parts
As Amended May 1, 2007
Assembly Appropriations Committee Hearing May 9, 2007
PIFC Position: Support

The Personal Insurance Federation of California, representing insurers who write nearly 45% of the auto insurance sold in the state, including State Farm, Farmers, Safeco, 21st Century, Progressive and NAMIC, **supports AB 1483 authored by Assembly Member Carter.**

AB 1483 would require auto repair facilities to provide a signed affirmation to the customer, when the repair is completed, that crash parts specified on the estimate were installed on the vehicle.

In June of 2003 the California Bureau of Automotive Repair's (BAR) completed a study of auto body collision repairs by inspecting vehicles from around California. The purpose was to identify auto body repair work that was not done as specified in the final invoice. Between July 1, 2001 and June 30, 2003, BAR's inspections showed that 42% of the vehicles inspected had parts or labor listed on the invoice that were not actually supplied or performed. We believe that AB 1483 could be an effective measure to reduce this type of fraudulent activity.

AB 1483 is a consumer disclosure measure that certifies to consumers, and our policyholders, that the parts they pay their premiums for were actually installed on their car when repaired by auto body shops. The bill is a step in helping to eliminate the consumer fraud found by the 2003 BAR Study. Simply put, AB 1483 certifies to consumers and our policyholders that the parts they pay their premiums for were actually installed on their car when fixed by the auto repair facility.

For the above reasons, **PIFC supports AB 1483 and urges your aye vote.** If you have any additional questions regarding our position, please do not hesitate to contact Michael A. Gunning at (916) 442-6646.

cc: Assembly Member Carter (Author)
Mike Prozio, Chief Deputy Legislative Affairs Secretary, Office of the Governor
Chuck Nicol, Consultant, Assembly Appropriations Committee
Chris Ryan, Consultant, Assembly Republican Fiscal Caucus
Kathleen Webb, Office of the Insurance Advisor

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