

## MEMORANDUM



STATE FARM  
FARMERS  
21<sup>ST</sup> CENTURY  
SAFECO  
PROGRESSIVE  
NAMIC

Date: July 6, 2007

To: The Honorable Tom Torlakson, Chair  
The Honorable Dave Cox, Vice Chair  
Members, Senate Appropriations Committee

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

Re: AB 1483 (Carter): Automotive repair: crash parts  
As Amended June 18, 2007  
Senate Appropriations Committee Hearing: July 16, 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, 21<sup>st</sup> 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, the BAR 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, AB1483 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 Prosis, Chief Deputy Leg. Affairs Secretary, Gov's Office  
Bob Franzoia, Consultant, Senate Appropriations Committee  
Senate Floor Analyses

Amber Throne, Consultant, Senate Republican Caucus  
Kathleen Webb, Office of the Insurance Advisor

4.AB1483-SenApp-7-07

PERSONAL INSURANCE FEDERATION OF CALIFORNIA

1201 K Street Suite 1220 Sacramento California 95814  
T (916) 442 6646 F (916) 446 9548 E pifc@pifc.org www.pifc.org