

MEMORANDUM



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Date: July 29, 2008

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
Kimberley Dellinger, General Counsel
Ermelinda Ruiz, Legislative Advocate

Re: AB 2825 (Carter): Automotive repair: crash parts
As Amended July 1, 2008
Senate Appropriations Committee Hearing August 4, 2008
PIFC Position: Support

The Personal Insurance Federation of California, representing insurers who write over 50% of the auto insurance sold in the state, including State Farm, Farmers, Safeco, aigdirect.com, Progressive and NAMIC, **supports AB 2825 authored by Assembly Member Carter.**

AB 2825 would allow consumers, upon request, to receive from an auto body repair shop copies of invoices from the distributor, dealer, or manufacturer for parts installed in excess of \$50. The bill adds additional customer protections by requiring notification that installing parts other than those described on the estimate without prior approval is unlawful.

In June of 2003 the 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. This previous study by the BAR was a one-time effort initiated by legislation. In January of 2007, the BAR reopened the Auto Body Inspection Program. We believe that AB 2825 could be an effective measure to support the BAR's current activities against auto body fraud.

Simply put, AB 2825 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.

For the above reasons, **PIFC supports AB 2825 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 Proso, Chief Deputy, Legislative Affairs Secretary, Office of the Governor
Mark McKenzie, Consultant, Senate Appropriations Committee
Joe Shinstock, Consultant, Senate Republican Caucus
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