

MEMORANDUM



Date: April 21, 2008

To: The Honorable Mark Leno, Chair
The Honorable Mimi Walters, Vice Chair
Members, Assembly 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 April 1, 2008
Assembly Appropriations Committee Hearing April 23, 2008
PIFC Position: Support

The Personal Insurance Federation of California, representing insurers who write nearly 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 require auto repair facilities to notify customers at the time of the estimate if any used, rebuilt, remanufactured, or reconditioned parts are supplied and that the practice of “parts switching” is fraud. The bill would also require the facility to sign a certification that the parts specified on the estimate were in fact the parts installed on the vehicle. The bill would authorize the Bureau of Automotive Repair (BAR) to adopt regulations specifying the form and content of the notice and the certification.

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.

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. Simply put, AB 2825 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 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
Chuck Nicol, Consultant, Assembly Appropriations Committee
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