



MEMORANDUM

Date: June 15, 2010

To: The Honorable Mary Hayashi, Chair
Members, Assembly Business, Professions, and Consumer Protection
Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kimberley Dellinger Dunn, General Counsel
Ermelinda Ruiz, Legislative Advocate

Re: SB 350 (Yee): Aftermarket Crash Parts

**Assembly Business, Professions, and Consumer Protection Committee –
Hearing June 22, 2010
PIFC Position: Oppose**

The Personal Insurance Federation of California, representing insurers who write over 60% of the auto insurance sold in the state, including State Farm, Allstate, Farmers, Liberty Mutual Group, Progressive, and NAMIC, **opposes SB 350 by Senator Yee.**

SB 350 would codify current regulations now found in the Department of Insurance regulations into the Insurance Code to expressly prohibit an insurer from requiring the use of nonoriginal equipment manufacturer aftermarket crash parts in the repair of an automobile unless certain requirements are met.

PIFC members are supportive of a competitive aftermarket crash parts industry, which can help to bring about lower costs for auto repairs. However, we believe SB 350 is redundant, unnecessary and would do nothing to improve or enhance the current marketplace for aftermarket parts. Our stance is highlighted by an April 30th Department of Insurance notice regarding *Requirements of CCR §2695.8(g), Use of Non-Original Equipment Manufacturer Replacement Crash Parts*, where the Department reiterated the current regulations (see attached).

For this reason, **PIFC opposes SB 350** and urges your “no” vote. If you have any questions regarding PIFC’s opposition, please contact Michael A. Gunning at (916) 442-6646.

cc: Honorable Leland Yee, Author
Sarah Weaver, Assembly Business, Professions, and Consumer Protection Committee
Ted Blanchard, Assembly Republican Caucus
Michael Proso, Legislative Affairs Secretary and Deputy Chief of Staff, Office of the Governor