



STATE FARM

FARMERS

LIBERTY MUTUAL GROUP

PROGRESSIVE

21ST CENTURY

ALLSTATE

NAMIC

MEMORANDUM

Date: June 22, 2009

To: The Honorable Mary Hayashi, Chair
The Honorable Bill Emmerson, Vice Chair
Members, Assembly Business and Professions Committee

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

Re: SB 427 (Negrete McLeod) Automotive Repair: Crash Parts.
Assembly Business and Professions Committee - Hearing June 30, 2009
PIFC Position: Support

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, 21st Century, Progressive, and NAMIC, **supports SB 427 by Senator Negrete McLeod.**

SB 427, sponsored by the Center for Auto Safety, is a consumer information bill. The bill requires auto repair dealers to perform three functions during a repair: 1) fully repair and restore a deployed airbag to its fully operational condition; 2) print on both the estimate and final invoice that, *"installing a part other than the one specified in the estimate is unlawful"*; and 3) provide the toll free number for the Bureau of Automotive Repair for a free car repair inspection. This bill allows a sufficient "ramp-up" time for auto repair dealers that would become effective in 2011.

In June of 2003 the Bureau of Automotive Repair (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 SB 427 could be an effective measure to support the BAR's current activities against auto body fraud.

SB 427 is a consumer disclosure measure that certifies to consumers, and our policyholders that the parts paid for by their premiums were actually installed on their vehicles.

For the foregoing reasons, **PIFC supports SB 427** and urges your “**yes**” vote. If you have any questions regarding PIFC’s support, please contact Michael Gunning at (916) 442-6646.

cc: Honorable Gloria Negrete McLeod, Author
Joanna Gin, Assembly Business and Professions Committee
Ted Blanchard, Assembly Republican Caucus
Mike Proso, Legislative Secretary for the Governor
Manolo Platin, Office of the Insurance Advisor