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ASSEMBLY FLOOR ALERT

Date: August 24, 2010

To: Members, California State Assembly

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

Re: SB 427 (Negrete McLeod): Automotive repair: crash parts, As Amended
August 20, 2010
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), 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, **supports SB 427 by Senator Negrete McLeod.**

SB 427, sponsored by the Center for Auto Safety, is a consumer friendly bill that requires an automotive repair dealer to actually repair and fully restore an airbag that has been damaged in an accident or risk being found guilty of a misdemeanor subject to a fine, imprisonment, or both. Per our request, the recent amendments removed the reference to the airbag as an "aftermarket crash part." We support this change because the only airbags currently used to repair a deployed airbag are new or salvaged original manufacturer airbags. There are no aftermarket airbags.

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 of this study 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 these 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
Michael Proso, Deputy Chief of Staff and Legislative Affairs Secretary, Office of the Governor
Sarah Weaver, Assembly Business, Professions, and Consumer Protection Committee
Ted Blanchard, Assembly Republican Caucus
Randall Ward, Insurance Advisor Director, Office of the Governor