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MEMORANDUM

Date: August 3, 2010

To: The Honorable Felipe Fuentes Chair
The Honorable Connie Conway, Vice Chair
Members, Assembly Committee on Appropriations

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 May 20, 2010

Assembly Committee on Appropriations – Hearing August 4, 2010 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, Progressive, and NAMIC, **supports SB 427 by Senator Negrete McLeod.**

SB 427, sponsored by the Center for Auto Safety, is a consumer information bill that requires an automotive repair dealer to provide on the signature page of the final invoice, a statement that installing parts other than those described on the estimate without prior approval from the customer is unlawful. The bill would also inform the customer of the internet website and toll-free telephone number for the Bureau of Automotive Repair (BAR). This bill allows a sufficient “ramp-up” time for auto repair dealers by becoming effective in 2012.

In June of 2003, the 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 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
Michael Proso, Deputy Chief of Staff and Legislative Affairs Secretary, Office of the Governor
Julie Salley-Gray, Assembly Committee on Appropriations
Ted Blanchard, Assembly Republican Caucus
Randall Ward, Insurance Advisor Director, Office of the Governor