

MEMORANDUM



STATE FARM

FARMERS

LIBERTY MUTUAL GROUP

PROGRESSIVE

21ST CENTURY

ALLSTATE

NAMIC

Date: April 30, 2009

To: The Honorable Christine Kehoe, Chair
The Honorable Dave Cox, Vice Chair
Members, Senate Appropriations 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.
Senate Appropriations Committee
May 4, 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, simply requires two disclosures by auto repair dealers. The first requires that the parts invoice for any airbags installed as part of an inflatable restraint system be given to a customer, and the second requires that on both the estimate and final invoice the toll free number for the Bureau of Automotive Repair be provided. Effective in 2011, the bill allows a sufficient "ramp-up" time for auto repair dealers.

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 they pay their premiums for were actually installed on their car when repaired by auto body shops.

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
Bob Franzoia, Senate Appropriations Committee
Joe Shinstock, Senate Republican Caucus
Mike Proso, Legislative Secretary for the Governor
Manolo Platin, Office of the Insurance Advisor