



**MEMORANDUM**

STATE FARM

FARMERS

LIBERTY MUTUAL GROUP

PROGRESSIVE

ALLSTATE

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**Date:** June 21, 2011

**To:** Honorable Mary Hayashi, Chair  
Honorable Bill Berryhill, Vice Chair  
Members, Assembly Business, Professions and Consumer Protection Committee

**From:** Rex D. Frazier, President  
Michael A. Gunning, Vice President  
Kimberley Dellinger Dunn, General Counsel  
Manolo P. Platin, Legislative Advocate

**Re:** SB 869 (Yee): Automotive Repair Dealers: Airbags  
As Amended June 20, 2011

**Assembly Business, Professions and Consumer Protection Committee –  
Hearing June 28, 2011  
PIFC Position: Support**

The Personal Insurance Federation of California, representing six of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Group, Progressive, Allstate and Mercury) and one national trade association (National Association of Mutual Insurance Companies) who collectively write a majority of the personal line auto and home insurance in California, **supports SB 869 by Senator Yee.**

SB 869 is a consumer friendly bill that requires any person or automotive repair dealer to actually repair and fully restore an airbag that has been damaged in an accident. The recent amendments, added in consultation with the Department of Consumer Affairs, are technical and clarifying in nature to make the new section in the Business and Professions Code consistent with the existing Vehicle Code covering air bag replacement and repair. The amendments also include current enforcement provisions currently found within the Business and Professions Code relative to an auto repair dealer's registration and penalty provisions. The bill also creates a penalty of a misdemeanor subject to a fine, imprisonment, or both.

In June 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 2007, the BAR reopened the auto body inspection

program. We believe that SB 869 could be an effective measure to support the BAR's current activities against auto body fraud.

SB 869 is a 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 869** and urges your **"aye"** vote. If you have any questions regarding PIFC's position, please contact Michael A. Gunning at (916) 442-6646.

cc: Senator Leland Yee, Author  
Joanna Gin, Assembly Business, Professions and Consumer Protection Committee  
Ted Blanchard, Assembly Republican Caucus  
Gareth Elliott, Secretary of Legislative Affairs, Office of the Governor  
Randall Ward, Director, Office of the Insurance Advisor