



MEMORANDUM

Date: May 4, 2011

To: The Honorable Christine Kehoe, Chair
The Honorable Mimi Walters, Vice Chair
Members, Senate Appropriations 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 Introduced February 18, 2011

Senate Appropriations Committee – Hearing May 9, 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 an automotive repair dealer to actually repair and fully restore an airbag that has been damaged in an accident. The bill creates a penalty of a misdemeanor subject to a fine, imprisonment, or both.

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 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
Bob Franzoia, Senate Appropriations Committee
Joe Shinstock, Senate Republican Caucus
Gareth Elliott, Secretary of Legislative Affairs, Office of the Governor
Randall Ward, Director, Office of the Insurance Advisor