

FOR IMMEDIATE RELEASE

CONTACT:
Susan Nolan
Candace Thorson
NCOIL National Office
518-687-0178

LEGISLATORS DEFEAT AFTERMARKET CRASH PARTS MODEL

Washington, DC, March 7, 2011—State legislators at the NCOIL Spring Meeting here failed to reach consensus on a controversial model act that would give guidance to states on the widespread use of aftermarket crash parts. On March 6, lawmakers defeated by a close margin a pro-choice *Model Act Regarding Motor Vehicle Crash Parts and Repair*, which represents NCOIL's fourth run at the issue, due to lingering concerns over how the quality of aftermarket parts compares to car company versions, among other things.

"Anyone who's taken their car for auto body work after an accident," said Property-Casualty Insurance Committee Chair Rep. Chuck Kleckley (LA), "knows that the process can be confusing and that giving consumers choice and disclosure along the way is critical. Despite defeat of the model, legislators on the P-C Committee remain committed to making sure that people are given opportunities and fair notice."

The tug-of-war between those for and against the bill raised questions that, although the issue has evolved over the years, are traditional points of contention. Key among them are whether certified aftermarkets are equivalent to original equipment manufacturer (OEM) parts; whether recall mechanisms for non-OEM parts are as good as those for OEMs; and how use of aftermarkets impacts costs for consumers, auto body shops, and insurers. Legislators also revisited the role of insurers in warranting parts and the size of the aftermarket parts industry.

Final action on the model—which fell in line with the Committee's November Annual Meeting vow to vote on the bill in March—followed 10 to 8 adoption of an amendment, sponsored by Rep. Brian Kennedy (RI), that would have presumed certified aftermarkets to be capable of repairing a vehicle to its pre-loss condition. It also followed the withdrawal by Rep. Barb Byrum of amendments that, among other things, would have deleted all references to part certification from the model, and by Rep. Greg Wren (AL) that related to mandatory insurer disclosures before specifying aftermarkets.

The proposed *Model Act Regarding Motor Vehicle Crash Parts and Repair*, which was defeated in a 10 to 7 vote, was drafted over more than a year and a half during conference calls, special meetings, and extended discussions. The model would have required disclosure and consent before a crash part was repaired or replaced; set ground rules for insurers to specify aftermarkets; required lasting, visible labels on crash parts; and promoted accountability.

Interested parties participating in the debate represented the Certified Automotive Parts Association (CAPA), LKQ Corporation, numerous automakers, large and small body shops, insurers, and others.

The 2011 Spring Meeting took place from March 4 through 6 at the Hyatt Regency on Capitol Hill.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

For further details, please contact the NCOIL National Office at 518-687-0178 or by e-mail at cthorsen@ncoil.org.

#