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MODEL AFTERMARKET CRASH PARTS LAW GIVES CONSUMERS FREEDOM OF CHOICE

Troy, New York, June 5, 2009 — Legislators at the Philadelphia NCOIL Summer Meeting will debate a freedom-of-choice model act on July 11 that would challenge insurer crash part mandates and would target controversial auto body steering. The proposed *Model Act Regarding Motor Vehicle Crash Parts and Repair*, to be featured at a special 10:15 to 11:15 a.m. Property-Casualty Insurance Committee meeting, would hinge on disclosure and prior consent, and would promote insurer and auto repair accountability.

Committee Chair Rep. Charles Curtiss (TN), in announcing the model, said, “This is an uncertain time for the auto industry and for all of us who buy and fix cars. Consumers, perhaps now more than ever, should be able to choose the crash parts and service shops they want. The proposed NCOIL model isn’t trying to punish anyone—it just looks to give consumers options while supporting a competitive market.”

The draft model law would require notice and approval before crash part repair or replacement and would establish conditions whereby insurers may require use of aftermarket crash parts, including provisions regarding new vehicles and those under original car-company warranty.

The model also would mandate permanent, transparent identification of crash parts, allow consumers to pick their auto repair facility, and promote accountability, among other things.

NCOIL last examined auto crash part concerns in 2005, when legislators adopted a *Resolution Regarding Motor Vehicle Crash Parts* that supported competition within the collision parts industry, stated that insurers should stand behind crash parts they require, and encouraged consumer notification. NCOIL passed the resolution after considering a model act that would have endorsed aftermarket parts certification.

The special Philadelphia Committee meeting also will spotlight a draft model law that would combat airbag schemes through tough sanctions and standards. The anti-fraud bill would set felony penalties for airbag crimes and, among other things, would require that auto body shops show airbag bills of sale or invoices to prove that they had purchased new, suitable replacement airbags.

The NCOIL Summer Meeting will be held from July 9 through 12 at the Marriott Philadelphia Downtown.

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.

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