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NCOIL FORMS SPECIAL SUBCOMMITTEE TO FURTHER CONTROVERSIAL AFTERMARKET CRASH PARTS DEBATE

Newport, Rhode Island, July 13, 2005—After hearing testimony from more than a dozen witnesses representing aspects of the certified aftermarket crash parts debate, the National Conference of Insurance Legislators' (NCOIL) Property-Casualty Insurance Committee voted 22 to 7 to form a special subcommittee to further NCOIL's consideration of a draft model law that would support the use of certified aftermarket crash parts. The Committee's action came on July 7, during the NCOIL Summer Meeting in Newport, Rhode Island.

The controversial model act, sponsored by Committee Chair Rep. George Keiser (ND), would, in general, endorse certification of aftermarket crash parts by third-party organizations, such as the Certified Automotive Parts Association (CAPA); require disclosure as to the use of certified aftermarket crash parts; and provide that a person leasing or financing a vehicle could not be penalized for using a certified part.

A substitute amendment to the original model act, also sponsored by Rep. Keiser, would make certain changes to the original version, including revising the purpose of the model so as to create a market incentive for the use of certified aftermarket crash parts; creating more specific criteria for qualifying as a third-party certifying entity; and including in an estimate recycled, salvaged, and independent manufacturer-supplied parts as possible parts used in a repair.

The P-C Committee voted that NCOIL President Rep. Craig Eiland (TX) should appoint legislators to the special subcommittee and that interested parties should be given 30 days to submit comments on specific changes to the draft model law. The subcommittee is charged with deliberating on the suggested revisions and reporting its proposals to the

full Committee at the 2005 NCOIL Annual Meeting in San Diego, California, this November.

During the 2002 NCOIL Annual Meeting, after having considered the model act for more than a year and a half, the Committee deferred further review of the proposal until the 2005 Spring Meeting. Legislators at the time cited a need to address other issues. At the Spring Meeting, the Committee voted to resume its consideration of the draft and to hold a hearing on the matter at the summer conference.

Those testifying on July 7 represented CAPA, Keystone Automotive, the Alliance of Automobile Manufacturers, the Association of International Automobile Manufacturers, the Texas Automobile Dealers Association, Vehicle Information Services, the American Insurance Association, the Association of Consumer Vehicle Lessors, the Massachusetts Auto Body Association, the Society of Collision Repair Specialists, Automotive Service Association, Cobb's Collision Center, and the Pennsylvania Collision Trade Guild. A representative of the Insurance Institute for Highway Safety provided an overview regarding crash part safety issues.

The NCOIL Summer Meeting was held at the Hotel Viking in Newport, Rhode Island.

NCOIL is an organization of state legislators focused on insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committee responsible for insurance legislation in their respective state houses across the country.

Copies of the original and substitute versions of the draft model act are available on the NCOIL Web site at www.ncoil.org.

For more information, please contact the NCOIL National Office at 518-687-0178.

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