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# NCOIL DEBATES AFTERMARKET CRASH PARTS

# AT BOSTON SUMMER MEETING

            Albany, New York, July 5, 2002 – The National Conference of Insurance Legislators (NCOIL) will continue a heated debate over certified aftermarket crash parts when legislators convene for the 2002 NCOIL Summer Meeting in Boston, Massachusetts, this July 11 through 14.  Slated for discussion is a proposed *Certified Aftermarket Crash Parts Model Act*, now the focus of a special Property-Casualty Insurance Committee meeting on Thursday, July 11 from 1:30 to 2:30 p.m.

The special meeting will allow legislators to discuss the issue publicly following months of substantial input from interested parties, including the Certified Automotive Parts Association (CAPA), car companies such as General Motors and Ford, and insurance industry and consumer representatives.  On Friday, July 12, the Property-Casualty Insurance Committee will briefly resume consideration of, and perhaps vote on, the proposed model during the Committee’s regularly scheduled 8:15 to 9:30 a.m. meeting.

The proposed model has drawn widespread attention, including the testimonies of a dozen witnesses at a February 28 hearing in Charleston, South Carolina.  Car company representatives testified en masse that, among other things, the quality of certified aftermarket crash parts was, at best, questionable.  Jack Gillis, executive director of CAPA, challenged that such parts are both safe options to the Original Equipment Manufacturer (OEM) parts promoted by car companies and significant cost savings to consumers.

The proposed model, sponsored by Rep. Shirley Bowler (LA), originally was adopted

by the Property-Casualty Insurance Committee on November 16, 2001, and was referred to the NCOIL Executive Committee for consideration later that day.  Citing a need for further discussion, however, the Executive Committee remitted the proposed model to the P-C Committee.

As introduced, the proposed act would:

           provide that certified aftermarket crash parts are suitable replacement parts for vehicles;

           require a body shop or insurance estimate to indicate the use of certified aftermarket crash parts and to identify the parts’ manufacturers, if possible; and

           also apply to leased or financed cars.

            A proposed amendment to a *Certified Aftermarket Crash Parts Model Act* is also under consideration and would add that non-certified aftermarket crash parts likewise would be suitable replacement parts in cases where an insurer provided a guarantee or other assurance of quality.  The proposed amendment was introduced by the American Insurance Association (AIA) earlier this year and is sponsored by Rep. Shirley Bowler (LA).

            NCOIL is an organization of state legislators whose main area of public policy concern is insurance legislation and regulation.  Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country.

            The NCOIL Summer Meeting will be held at the Sheraton Boston Hotel.

            For more information, please call NCOIL at (518) 449-3210.

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