

Coalition for Collision Repair Excellence

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22 June 2005

The Honorable George Keiser
Chair, Property-Casualty Committee
National Conference of Insurance Legislators
385 Jordan Road
Troy, NY 12180

Re: NCOIL Certified Aftermarket Crash Parts Model Act

Dear Chairman Keiser and Members of the Property-Casualty Committee:

As the President of the Coalition for Collision Repair Excellence (CCRE), I am compelled to comment on this Committee's consideration of endorsement of this model act. Any such endorsement would be a grave disservice to consumers and collision repairers alike.

The CCRE is comprised of repairers who refuse to allow any insurers, parts suppliers, adjustors, or estimating database providers to deter us from providing consumers with the best quality repair available. Our organization is the leader in the industry promoting consumers' interests in collision repair and we adhere to our commitment to provide all consumers with safe and proper repairs and will never justify placing a person at risk to enable an insurer to save a few dollars on the cost of a part.

Historical Problems:

For years now, aftermarket parts manufacturers and the "so called" independent certifiers have pushed the use of inferior parts on consumers. They have done this solely to serve their own economic interests with little regard for the safety or problems these parts may cause consumers. The Certified Aftermarket Parts Association (CAPA) continually decertifies parts it had previously certified. The fact that this occurs with such regularity demonstrates how suspect their certifying methodology is. This act offers nothing new in the way of protecting consumers from poor quality parts, whether those parts are certified or non-certified.

Poor Quality:

Aftermarket parts consistently do not fit and have to be modified before they can be used in a repair. At a certain point, modifications begin to impact the integrity of the part and render it unqualified to be used in the repair. Insurers also staunchly refuse to compensate for the cost of these necessary modifications to parts they demand be used in their insureds' repairs.

Aftermarket parts are typically made with thinner gauge metal than the original equipment parts, lack proper corrosion protection, develop problems with finishes applied to their surfaces, and do not typically have as many spot welds or other attachment brackets that are serviced with the OEM part. They also experience problems with latching devices and catches that endanger occupants of the vehicle and put the lives of other travelers at risk.

Decertified:

When parts are "decertified", consumers currently do not receive notice. Even under this act, although consumers may now be told that the parts have been decertified, the certifying organizations are not required to solve the consumers' problem by having the vehicle re-repaired with OEM parts. The consumer will simply be told that the parts have now been decertified. How does that protect consumers from the use of inferior aftermarket parts in vehicle repairs?

Because there is no accountability or liability on the part of the certifiers, consumers are left with trying to convince the insurers to pay for a re-repair or to have the aftermarket parts makers honor the product warranty from their locations in Asia.

Safety Not Guaranteed:

This act falls manifestly short of providing the one thing that would be of real value to consumers: A guarantee that the aftermarket parts are SAFE and defining exactly who will honor and be responsible for that guarantee.

Deprives Consumers Of Choice:

At this time, consumers have choices as to the parts that will be used to repair their vehicles. Endorsing this act will remove all choice from consumers and they will have their repairs dictated by insurers and certifiers who know little about the realities of collision repair. Significantly, insurers often insist that third parties' vehicles must be repaired with aftermarket parts, despite the lack of any contractual obligation on the part of the consumer to do so. If this act were endorsed, third parties will surely be bullied into accepting these parts because they are cheaper for insurers.

Squashing Competition:

One of the things that is fundamentally wrong about this act is that it hands a monopoly to CAPA and the few other certifying companies. It tries to remove all competition from the non-certified parts makers, whose products are often as good or better than those, which have been certified. It also deprives OEM makers of the years of product testing, research and development, and faithful warranty service that have made their products the preferred repair parts of the collision industry and of consumers.

Interference With Professional Judgment:

One of the most detrimental effects this act will yield, if endorsed, is that collision repairers will be faced with greater pressure from insurers and third parties to make economical repairs that may not be in the consumers' best interests. Collision repairers have the experience, knowledge, and responsibility to determine how to properly and safely repair a vehicle. We know how to run our businesses and how to satisfy our customers. We take pride in our work and are serious about ensuring customers are protected from risks. It is time that insurers and these certifying companies stop trying to interfere with the manner in which we provide consumers with proper and safe repairs.

As professional collision repairers, we are the only persons or entities capable of truly determining whether aftermarket parts should be used in the repair of any given vehicle. Collision repairers work with many different parts, understand the increasing complications for attaching disparate metal parts together, and we are charged with the responsibility of providing a proper repair for the vehicle owner. Yet, outside entities like insurers, certifiers, and non-OEM manufacturers continually attempt to dictate the terms of a customer's repair, often contrary to the professional judgment of the repairer, without accepting any responsibility to the consumer. Forcing repairers to accept certified aftermarket parts in a vehicle repair by the endorsement of an act like this prevents us from using the entire scope of our knowledge and experience to provide the best possible repair, and seriously harms consumers as a result.

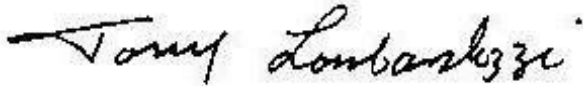
It also creates a precarious situation for repairers and can have a detrimental impact on collision shops' Garage Keepers Insurance. Increases in shops' garage keepers insurance premiums must be recouped from customers. Therefore, the overall cost of collision repair will increase because of additional liability and interference with professional judgment issues.

Consumers Do Not Benefit:

It is untrue to say that consumers are the beneficiaries of this act. This act benefits insurers, certifiers, and the makers of certain aftermarket parts. It does not provide for the safety of consumers; it gives them no guarantees; and it makes decertification and warranty repairs a potential nightmare for them. The endorsement of this act would result in a manifest disservice to consumers and collision repairers..

Therefore, the Coalition for Collision Repair Excellence urges you and your committee not to endorse the Certified Aftermarket Crash Parts Model Act.

Sincerely ,

A handwritten signature in black ink that reads "Tony Lombardozzi". The signature is written in a cursive, slightly slanted style.

Tony Lombardozzi

President

cc: Candace Thorson
Members of the Property-Casualty Committee