



Press Release

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FOR IMMEDIATE RELEASE

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SCRS Encourages Vocal Industry Opposition to Proposed NCOIL Model Acts

Prosser, Washington, November 12, 2010 — The Society of Collision Repair Specialists (SCRS) reiterated today its previously established opposition to legislative model acts under consideration by the National Conference of Insurance Legislators (NCOIL) Property & Casualty committee. SCRS encourages every repair facility, and collision repair association, to actively contact legislators prior to the upcoming meeting to urge for them to vote in opposition to both models, and further to vote that both be removed from the committee's agenda. A list of state representatives serving on the committee is listed below. If you are a repairer in a state that is not represented on the committee, SCRS urges you to communicate directly with Sen. Ruth Teichman, chair of the NCOIL Property & Casualty Committee.

The NCOIL Property & Casualty committee is scheduled to discuss a [Model Act Regarding Motor Vehicle Crash Parts](#) (Crash Parts) on Thursday, November 18th, and a [Model Act Regarding Insurer Auto Body Steering](#) (Steering) on Saturday, November 20th.

SCRS has vocally objected to the Crash Parts model, both during in earlier debates held during the previous decade, and since it was reintroduced to the committee in 2008. SCRS' overarching objections to the model have remained unaddressed by legislators through the last several hearings, and include, but are not limited to concerns that:

- a. The model does not place greater responsibility on the part manufacturers/distributors to improve overall quality, or limit the market to only receiving high quality parts, but instead shifts the burden onto the repair facility that is repairing the vehicle and increases their liability in the process unduly. (ex: in section 5. The language requires that the repairer affix a permanent, non-removable identification on parts, instead of presenting that only parts where the manufacturers permanently stamp the part with identification can be sold.)*
- b. Parts are sold interstate and this model has the potential to be adopted or ignored on a state-by-state basis, thus negating its effectiveness even in states which pass the model. Parts regulation needs to be a federal initiative.*
- c. Establishing equivalence between two different types of parts simply due to a certification insinuates that part of the certification process is to be equivalent in EVERY way, versus*

meeting certain established criteria by the certifying body. There is a tremendous difference between acceptable parts and equivalent parts.

- d. There is no requirement for testing of the parts outlined in the model, not any mention of traceability, and most importantly there is seemingly no responsibility resting with the insurer should they choose to involve themselves in repair decision such as part selection. If an insurer steps outside of the business of insurance, and into the business of automobile repair by making specification, they should assume the responsibility for those choices.*

In regard to the Steering Model, SCRS initially sought to improve the language of the proposed model by providing amendments during the last hearing held in Boston, Massachusetts. Based on nearly unanimous opposition to the model by interested parties, and significant lack of outright support from the legislators for the proposed amendments offered by SCRS, the association has adopted a position of opposition to the model as proposed. The association is concerned that the model:

- a. Lacks language that addresses the nuances within the claims settlement process, and provides minimal prohibitions which are easily navigated through carefully crafted word tracks. As an example, section 4A indicates that “an insurer shall not require an insured or claimant to utilize preferred repair facilities as a prerequisite to settling or paying a claim.” The language fails to recognize that steering is often not conducted through “requirements” or “mandates” but through suggestion or insinuation.*
- b. Provides little outline of enforceability. In Section 6B the proposed model indicates that violations of the model would be considered under the unfair claims settlement practices and subject to applicable state fines and penalties. In most states, the Unfair Claims Practices are specifically only upheld when there is an established pattern of practice in violation of the practices. If a steering law is going to be effective, it must be enforceable per-instance rather than as a pattern of practice. This model fails to apply a per-instance caveat for the violation.*
- c. Ultimately this model has less foreseeable impact, and more mild restrictions than many states have today in existing anti-steering law. Introducing new model law that fails to meet or exceed existing statutes that are more comprehensive opens the door for more lax adherence to existing statute and a regression for states that have achieved a higher standard in this area.*

SCRS strongly urges collision repairers across the U.S. to recognize the importance in reaching out to legislators involved in the committee, and to make it abundantly clear that the proposed models do not provide adequate protection for the small businesses across the U.S. repairing damaged motor vehicles, nor do they protect the customers whom we serve. The following legislators serve on the NCOIL P&C Committee:

Chair:

Sen. Ruth Teichman, KS

Co-Vice Chair:

Sen. Jake Corman, PA

Co-Vice Chair:

Rep. Steve Riggs, KY

Members:

Rep. Kurt Olson, AK

Rep. Greg Wren, AL

Assem. William Barclay, NY

Assem. Nancy Calhoun, NY

Rep. Barry Hyde, AR
Sen. Larry Teague, AR
Sen. Joe Crisco, CT
Rep. Perry Thurston, Jr., FL
Rep. Rich Golick, GA
Sen. Ralph Hudgens, GA
Rep. Matt Lehman, IN
Sen. Vi Simpson, IN
Rep. Ron Crimm, KY
Rep. Robert Damron, KY
Rep. Ted Edmonds, KY
Rep. Chuck Kleckley, LA
Sen. Dan Morrish, LA
Rep. Barb Byrum, MI
Rep. Marc Corriveau, MI
Sen. Alan Sanborn, MI
Rep. Mike Colona, MO
Sen. Buck Clarke, MS
Sen. Bob Dearing, MS
Sen. Dean Kirby, MS
Rep. George Keiser, ND
Sen. Jerry Klein, ND
Rep. Don Flanders, NH
Sen. Carroll Leavell, NM

Sen. William J. Larkin, Jr., NY
Sen. James Seward, NY
Sen. Keith Faber, OH
Sen. Karen Gillmor, OH
Rep. Jay Hottinger, OH
Rep. Robert Godshall, PA
Rep. Brian Kennedy, RI
Sen. David Bates, RI
Sen. William Walaska, RI
Rep. Charles Curtiss, TN
Rep. Charles Sargent, TN
Rep. Craig Eiland, TX
Rep. Larry Taylor, TX
Rep. Hubert Vo, TX
Del. Harvey Morgan, VA
Rep. William Botzow, VT
Rep. Kathleen Keenan, VT
Rep. Virginia Milkey, VT

About SCRS: Through its direct members and 38 affiliate associations, SCRS is comprised of 6,000 collision repair businesses and 58,500 specialized professionals who work with consumers and insurance companies to repair collision-damaged vehicles. Additional information about SCRS including other news releases is available at the SCRS Web site: www.scrs.com. You can e-mail SCRS at the following address: info@scrs.com.

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