



Press Release

Society of Collision Repair Specialists • P.O. Box 909, Prosser, WA 99350 • (877) 841-0660 • Fax (877) 851-0660

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For Further Information

Contact Dan Risley, SCRS Executive Director

Phone: (708) 598-3384 or Email: drisley7@comcast.net

SCRS Promotes Active, Continued Opposition Against NCOIL's Certified Aftermarket Crash Parts Model Act

Prosser, Washington, July 20, 2005 — On Thursday, July 7th, 2005, in Newport, Rhode Island, the Property-Casualty Insurance Committee (Committee) of the National Conference of Insurance Legislators (NCOIL) held a hearing on a proposed *Certified Aftermarket Crash Parts Model Act*.

The highly controversial model law, which the Society of Collision Repair Specialists (SCRS) vehemently opposes, would among other things, provide that all certified aftermarket crash parts used to repair a motor vehicle are suitable replacement parts.

SCRS takes issue with the proposal in a number of areas. SCRS does not think that legislation is the answer to the aftermarket parts use issues, and regardless of language, is opposed in principle to any type of legislation mandating the manner or products in which a collision damaged vehicle is repaired. SCRS believes that the decision on what type of parts to be utilized should be that of the professional repairer, not outside influences.

One of the areas SCRS is most opposed to is the identification of aftermarket parts as “equal to or better than” the original equipment parts they are replacing. The Original Equipment Manufacturer (OEM) part specifications utilized to manufacture the parts are not available to the aftermarket parts manufacturers. As a result, they are forced to reverse engineer the parts. Historically, this process has proven that the parts are not equal to or better than OEM for better than two decades. Furthermore, today's certified aftermarket parts aren't crash tested. Thus, there is no way that anyone can state or substantiate with a 100% degree of confidence that certified aftermarket parts are equal to or better than OEM. Aside from the physical appearance of the parts and how they fit on the vehicle, how these parts perform when a vehicle is involved in an accident is critical to the safety of the occupants.

In addition, the proposed legislation offers a weak definition of a “Third Party Certifier” that interestingly resembles the credentials of one of the current aftermarket parts certification entities. This entity has proven time and time again to be rife with inconsistency and inferiority.

Finally, as it relates to the certifier, it is disconcerting that the entity certifying the quality, fit, finish and performance of these parts is omitted from offering or standing behind the warranty of the parts they certify. “Besides bringing forward issues that reflect negatively on quality, this is in direct conflict with the certifier’s goal which is greater aftermarket parts acceptance,” states SCRS Chairman Tom Moreland. He further added, “It’s a process without adequate checks and balances.”

Ensure—as in any free market—that value and quality, not legislation, drive demand. This is no different than any other consumer product, but the act, as written, works against the principle.

Because of the significant misgivings it held regarding the proposal, SCRS began to formulate a plan of action to combat its implementation long before the July 7th meeting. First it drew up a letter and sent it to the over forty legislators that participate on NCOIL’s Property-Casualty Insurance Committee that would be attending, enumerating—as summary points—the problems inherent with the proposed legislation.

Next, SCRS compiled an in-depth 23-page overview of the issues that had been summarized in the previous letter and sent it to the Committee in anticipation of the hearing. “We were given the opportunity to speak at the meeting, but only for two minutes,” states SCRS Executive Director Dan Risley. “That being the case, we felt it important that our objections be submitted in detailed written form to adequately convey our message and substantiate our position. The document represents the core of our strategy to date.”

Then, along with a dozen other entities, SCRS—specifically, Treasurer Chad Sulkala—testified at the hearing to further show commitment and support. “Although we felt the written testimony was the most critical component,” says Sulkala, “orally presenting our position in front of the legislators proved quite a positive experience. The Committee members appeared well versed on the subject and based on the questions they asked, it was apparent they had taken the time to read our written testimony.”

Ultimately, NCOIL’s Committee voted to create a subcommittee to solicit revisions and changes to the draft model law for a 30-day period. SCRS, in keeping with its belief that achieving effective change in this case goes beyond the scope of a single day’s testimony, is convening in Scottsdale, Arizona on July 29th to identify their next steps.

“SCRS is in a unique position in regards to this model law because we offer a non-biased perspective,” says Moreland. “We don’t have a market to protect, and since the 1980’s we have spent a considerable amount of time working with various industry segments to improve the quality of certified aftermarket parts, again proving that ‘Working Together Is the Most Important Work We Do.’”

Through its direct members and 29 affiliate associations, SCRS is comprised of 5,000 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 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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