

Sponsor Statement for Senate Bill 348

Motor Vehicle Repairs

"An Act relating to insurance for and work on certain motor vehicle repairs; and providing for an effective date."

In the case of motor vehicle repairs, there are many cases where consumers are not currently provided with full information on the many types of replacement crash parts, which are available to be used in the repair of their collision-damaged vehicles. Some types of replacement crash parts may be of inferior quality or may void the warranty for adjacent parts or other original vehicle equipment. Alternative parts also can create unnecessary safety risks due to improper fitting. Despite this, some insurers direct the use or installation of parts other than "original equipment manufactures" (OEM) replacement crash parts without advising consumers of these considerations. While some replacement crash parts are comparable to those manufactured or distributed by the carmaker, the professionals have found others to be inferior to OEM parts in terms of fit, finish, and quality.

What [SB 348](#) does is protect consumers from their new vehicle warranty loss. It merely states that the insurance company must be responsible for maintaining the warranty on a vehicle for aftermarket crash parts when applicable and if used. It also reinforces the consumers' right to have a choice through the consent language to the use of non-OEM parts, during the year of the vehicle's manufacture or during 3 years following that year. The vehicle repair shop must also disclose on the invoice when aftermarket parts are used in making a repair.

My message is that consumers are being shortchanged every time an inferior fender, bumper, hood, radiator, wheel spindle or steering component is used to repair body damage to a new vehicle. I believe when you buy insurance you have a reasonable expectation your car will be repaired and restored to the condition it was before an accident, and without your original warranty being in jeopardy. Consumers are entitled to this.

A jury in the State of Illinois held State Farm in breach of contract with their policy holders. The policy holders contract was for State Farm to return the damaged cars to pre-accident condition. The lawsuit was a result of State Farm using non-OEM aftermarket parts. State Farm was liable for 1.18 billion in damages to their policy holders.

This bill will allow consumers to consider their options with regard to an insurer's policy on the use of replacement crash parts, especially in newer vehicles where a manufacturer's warranty is still in effect.