



# NEWS

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## **CAPA CHALLENGES CALIFORNIA DEPT. OF INSURANCE TO RECONSIDER AFTERMARKET PARTS USE POLICY**

### **Department Eliminates Certified Parts in Proposal to Regulate Insurer Use of AM Parts**

Washington, D.C. – The Certified Automotive Parts Association (CAPA) has called on California Commissioner of Insurance, Dave Jones's, to reconsider the complete elimination of certified aftermarket parts from insurer requirements for the use of aftermarket parts.

At a public hearing in Sacramento on August 9, 2012, CAPA's Executive Director, Jack Gillis, strongly supported the Department's proposed rule recognizing that alternative parts, certified by a legitimate crash replacement part certifying entity, represent a unique and specific part type available to consumers along with car company brand, non-certified aftermarket, and salvage parts. In spite of the wide spread recognition that independently produced parts Certified to the CAPA standard are unique and different, the Department has chosen to eliminate even the mention of such parts. Putting the desires of body shops, car dealers and auto manufacturers ahead of California consumers, the Department of Insurance has chosen to ignore the only established procedure to protect consumers from the overpriced parts that body shops like to use and parts not certified for comparability that they use the majority of time when installing aftermarket parts.

Over the past several years, CAPA has specifically demonstrated the consequences of using parts that meet no standards. 80% of the time, when using alternative parts, California collision repairers use parts that meet no standards. "The Department has joined with body shops, not only to maintain the status quo, but to ignore the only effort designed to protect California consumers from both poor quality and overpriced parts," said Gillis.

In testimony before the Department, Gillis expressed concern about requiring insurers to specify parts that are equal to car company service parts and to warrant

that they are of like kind and quality, safety, fit and performance as car company parts without providing a reputable test to make that determination. “It is simply impossible for a repairer, insurer or consumer to look at a part to determine whether it is the correct material, has the right welds, has adequate corrosion protection, complies with safety standards or has the same structure as the part sold by a car company. Without legitimate, independent certification of comparability, it is virtually impossible for the insurance industry to comply with one of the major tenants of the proposed regulation – requiring insurers to warrant that aftermarket parts are at least equal to the car company brand parts in terms of kind, quality, safety, fit and performance,” said Gillis.

In CAPA’s October 23<sup>rd</sup> letter to Commissioner Jones, Gillis urged the Commissioner to reconsider the Department’s position. CAPA stands ready to work with the Department to provide meaningful protections for California consumers engaged in the collision repair process. “There is a legitimate middle ground on the aftermarket parts issue, and parts certified to meet CAPA’s rigorous standards for comparability offer California consumers protection from both poor quality and overpriced parts,” said Gillis.

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*The Certified Automotive Parts Association, founded in 1987, is the nation’s only independent, non-profit, certification organization for automotive crash parts whose sole purpose it to ensure that both consumers and the industry have the means to identify high quality parts via the CAPA Quality Seal. CAPA is an ANSI accredited standards developer for competitive crash repair parts. For more information see [CAPAcertified.org](http://CAPAcertified.org).*