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Re: House Bills H6324 and H6325

Date: 5/18/2021

Dear committee members, I am writing in support of bills H6324 and H6325. Bill H6324 was written to help better define prior legislation that was passed for the payment of paint and material costs from insurers for vehicles being repaired by body shops. I have found most insurers follow the law as written but others have found loopholes that they are exploited, one example is insurers using a version of a paint program that is more than a year out of date when paint costs go up quarterly or semiannually an average of 3 to 8 percent a year. Some insurers will try to disallow specific paint calculating programs and instead only use one program that provides a generic blended average of different paint companies instead of costs for the actual products being used by the body shop. Further some insurers fail to include any markup in these programs as they are all designed to have to account for the loss of products while spraying and mixing. Bill H6324 also has a provision in it to make sure given notice in writing that the insurer is not retaining the salvage of their vehicle and what the potential costs are to the owner that will be keeping the vehicle, I have been seeing an increase of people who were told by insurers they could keep their vehicles after it was deemed a total loss but not informed of the charges that were still owed on the vehicle and what they would have to do to get dispose of the car. We have often had to get involved to help the customers to dispose of the car and arrange for towing to salvage yards and secure payment. Lastly Bill H6324 addresses a growing issue of the technical information costs and special services needed to properly repair some of todays vehicles. Collision avoidance systems, blind spot monitors, self-parking systems, 4-wheel steering, are all advanced electronic systems that may require calibrations and sensor aiming or testing that often cannot be done at a body shop they need to go to dealer or specialty shop to be done. This is new to the automotive industry and is not the same as traditional collision repair these new systems require a lot of information gathering and coordination with outside companies to be able to confirm these systems will perform as they were designed to after the accident. The language in this bill addresses the costs involved when body shops have to pay for access to information or coordinate sublet services to properly repair one of these systems in a vehicle.

Bill H6325 was put in to provide a definition and standard of a used part. For many years this was an industry term used in both auto body and the insurance industries with little to no disagreement. As vehicles have gotten far more complex so have the parts they are comprised of. Most insurers are very mindful of that fact and still use good practice when sourcing used parts for repairs on customers vehicles while some other insurance companies do not. The language in this bill is designed to make sure that the used part written to repair a customer's vehicle have a standard to meet and that they will be sourced from local salvage yards and not have body shops order from multiple salvage yards when it is not necessary.

I am available to answer any questions you might have and thank you for the consideration you are giving these bills

Very truly yours,

Randy Bottella President Auto Body Association of RI