



AUTO BODY ASSOCIATION OF RHODE ISLAND

330 Silver Spring Street • Providence, RI 02904
www.ABARI.net

Randy Bottella
31 Providence Street
West Warwick RI 02893
Phone: 401-823-4770

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 exploiting. One example is of insurers using a version of a paint program that is more than a year out of date. This is inappropriate as paint costs go up quarterly or semiannually on 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. Furthermore, 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 that notice is given in writing that the insurer is not retaining the salvage of the vehicle, and what the potential costs are to the owner who will be keeping the vehicle. I have been seeing an increase of people who were told by insurers that they could keep their vehicle after it was deemed a total loss, but were not informed of the charges that were still owed on the vehicle and what they would have to do in order to dispose of the vehicle. We have often had to get involved to help the customers dispose of the vehicle 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 today's vehicles. Collision avoidance systems, blind spot monitors, self-parking systems, and 4-wheel steering are all advanced electronic systems that may require calibrations, testing, and sensor aiming that often cannot be done at a body shop

as they need to go to a 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 that 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 the auto body and the insurance industries with little or 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 parts written to repair a customer's vehicle have a standard to meet and that they will be sourced from local salvage yards, so as not to have ordering 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