



Collision Repair Association of California

May 5, 2010

Transmitted via Electronic and U.S. Mail

The Honorable Steve Poizner
Insurance Commissioner
300 Capitol Mall, Suite 1700
Sacramento, Ca 95814

Dear Commissioner Poizner

Commissioner Poizner we recognize that this is a first for your Department. An attempt at regulation. We must say the Notice you issued hardly seems representative of your previously stated position that consumer safety is among your Departments highest regulatory responsibilities. We asked you as Commissioner to Lead, then we asked you to regulate. We have seen no presence of leadership or regulatory effort. At best you have chosen to provide a recitation of regulations. Ironically your Departments regulations require insurers annually to certify, that their claim agents and adjusters, have been trained and have a thorough understanding of the Fair Claims Practice Regulations. It would seem that this training has failed ,in that you felt compelled to provide reminders as to the regulatory language that they certified they had a thorough knowledge of.

CDI's Notice fails to represent the public interest. It ignores the big picture. Insurers have done nothing to determine these non-original equipment manufacture replacement crash parts meet requirements . They appear to have placed money over compliance and safety. Your response totally ignores all the non compliant parts that have been installed to date or claims that have been paid short based on these type of parts. Insurers should not be above the law. We have shown you that parts being specified are obviously not equal. It is your Departments responsibility to act and protect the public from these practices.

Your Department seems to operate on don't ask don't tell policy. CDI doesn't ask so (insurers) don't have to tell. The CDI seems to think it is the collision repair industries responsibility to be the watchdog of the insurance industry. The burden of compliance is the insurers and enforcement is yours . The CDI, as a watch dog , demonstrates no bark and no bite. Mr. Commissioner your Departments position only serves to protect insurers ,at the public's expense.

A lack of enforcement has allowed insurers that specify non-compliant non-original equipment manufacture replacement crash parts , to mislead the public. Current law relies totally on regulatory enforcement by your department. The public is prohibited from suing to protect their rights under the Fair Claims Practices Regulations. While you provide a safe harbor and protection to the insurance industry the consumer continues to be subjected to unfair claims practices. Is it CDI's position that insurers are too big to regulate? We all know what happened in the financial arena when regulation failed.

Mr. Commissioner if your Department cannot regulate, abdicate your vested control and support a private cause of action for consumers. Then the market place and public could utilize the courts to protect their own interests and not be subjected to your Departments bureaucratic foot dragging.

Again this is not a complicated issue . If insurers do not wish to comply they simply stop requiring or specifying non compliant non-original equipment manufacture replacement crash parts in their claim settlement offers. Insurers that specify non-original manufacture replacement crash parts should be required to comply with the regulations relating to their usage. This would also create a level playing field for the insurers. Insurers that do not utilize non-compliant non-original equipment manufacture replacement crash should not have to compete with those insurers that do.

Vehicle manufacturers spend millions of dollars to design vehicles to afford the highest levels of occupant safety. Why does the CDI knowingly continue to allow the insurers to re-engineer these vehicles during the claims process. We ask you to exercise your regulatory responsibilities, stop these unfair claims settlement practices now! Do not abandon California's Consumers.

Respectfully



Allen Wood

Executive Director

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