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Memorandum to: Representative John Soper and
Members of the House Business Affairs Committee

From: Richard G. Gebhardt, Legislative Consultant
Colorado Insurance Coalition



Date: January 27, 2010

Re: **House Bill 1074**

I have attached a copy of House Bill 1155 from the 1989 session, enacting an Act concerning the use of non-original manufacturers' automobile crash parts.

Also attached is a copy of a generally used estimate sheet from a Boulder auto body repair shop, which identifies the type of crash parts used, as well as the disclosure required under the present statute relating to replacement crash parts.

During the 1980's there was increasing interest in developing a more price effective method of providing crash parts beyond the then exclusive control of such parts by automobile manufacturers themselves. A competitive industry evolved, which on average had significantly lower costs. Most states then had to make the use of such non-original parts appropriate by creating statutory guidelines for their use.

Colorado was one of the first states to pass such legislation. In 1989 House Bill 1155 passed with bipartisan sponsorship. This law has never been changed in any manner since 1989. You will note strong disclosure language in this legislation, giving consumers complete knowledge of the use of non-OEM parts, if any. The consumer could then choose to insist on original parts, but would be responsible for the cost differential. Over the years the non-original part industry has offered crash parts at significantly lower cost with qualify controls, with the result that the pricing of original parts has also been reduced.

This information is presented to simply point out that this existing Colorado law has worked effectively in the interest of Colorado consumers, both with respect to their out-of-pocket, non-insured expenses arising out of accidents, and also resulting in lower automobile premiums.