



August 17, 2015

Mr. Daniel Judson, Commissioner
Massachusetts Division of Insurance
1000 Washington Street, Suite 810
Boston, Massachusetts 02118

Dear Commissioner Judson,

On behalf of the 300 members of the Alliance of Automotive Services Providers of Massachusetts (“AASP/MA”) who represent over 500 auto body repairers in the Commonwealth, I am writing to provide comments to the Division of Insurance (“the Division”) in connection with the Division’s review of regulations relating to auto insurance pursuant to Executive Order 562. In particular, AASP/MA welcomes this opportunity to share feedback relative to 211 CMR 133.00, based on its members’ practice and experience. To that end, please consider the following:

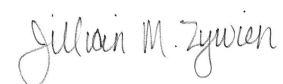
1. **The mileage threshold should be increased to reflect modern vehicle build and use. 211 CMR 133.04(1)(e).** When this regulation was initially promulgated, the typical car had a life expectancy of around 100,000 miles. According to Consumer Reports, due to manufacturing and technology improvements, such as tighter tolerances and better anti-corrosion coatings, the average life expectancy of today’s vehicles is around 200,000 miles, which is about eight (8) years. Of course, some well-built vehicles can, if properly maintained, can have a life expectancy of over fifteen (15) years, or 300,000 miles. 211 CMR 133.04(1)(e) establishes, for vehicles insured under policies written or renewed on or after January 1, 2004, a mileage threshold after which a rebuilt, aftermarket or used part must be used to make a repair. Currently, the regulation requires a rebuilt, aftermarket or used part for replacement in vehicles with over 20,000 miles, which based on today’s average consumer use, would apply to any car on the road for one or more years. Using older and rebuilt parts in new cars can substantially diminish the life expectancy and safety of a vehicle. Consumers are holding onto their vehicles longer, and in many cases, manufacturers are continuing to extend their own warranty policies. Accordingly, to modernize the regulations and better protect consumers’ investments, AASP/MA respectfully request that the mileage threshold established in 211 CMR 133.04(1)(e) be increased to 100,000 miles.
2. **The costs an insurer is responsible for when it specifies the use of used, rebuilt or aftermarket parts should be clarified. 211 CMR 133.04(2).** Currently, 211 CMR 133.04(2) states that the insurer is responsible for “the replacement costs such as freight and handling” where the insurance company specified the use of a used, rebuilt or aftermarket part in a repair but that ultimately both the insurance company and repair

shop determine are unfit and must be replaced. When such a part must be replaced, there are a number of “replacement costs” in addition to “freight and handling” that the auto repair shop accrues including, but not limited to the costs associated with pre-fitting, repackaging, shipping and return of the part, as well as the administrative costs associated with those activities. With the regulation as written today, often the insurance company and repair shop go back and forth in an effort to determine which costs should be covered and reimbursed by the insurance company. This is inefficient, time-consuming, costly for both businesses and can result in greater cycle-time for the consumer’s vehicle repair. More specific language outlining appropriate cost recovery would streamline this process. As such, AASP/MA respectfully recommends the following language, “If both parties agree that a specified part is unfit and must be replaced, the insurer shall be responsible for *all* replacement costs such as *those incurred for shipping*, freight and handling, *pre-fitting, labor, storage, repackaging and administrative costs directly associated with the return of the unfit part* unless the repair shop is responsible for the part(s) being unfit, or unless the insurer and repairer otherwise agree.”

AASP/MA submits these recommended amendments for the Division’s consideration as straightforward changes that would better serve consumers while also providing a greater degree of clarity to support more streamlined processes in the auto repair/insurance industry. As well, and understanding that consumer safety and high standards of practice are of utmost importance, AASP/MA looks to work with the Division and seize upon a more immediate opportunity to better serve consumers, insurers and the auto body repair industry through enhanced enforcement of the auto-insurance regulations under its purview. Enforcement by the Division is necessary to provide for more consistent interpretation and application by affected parties. Ultimately, this lends to a stronger partnership in delivering consumers the benefits of living and doing business in Massachusetts.

I appreciate your consideration of the aforementioned comments. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Jillian Zywiec, Executive Director