

DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310

P.O. BOX 541

HONOLULU, HAWAII 96809

Phone Number: 586-2850

Fax Number: 586-2856

cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Consumer Protection and Commerce  
Tuesday, March 19, 2019  
2:00 p.m.  
State Capitol, Conference Room 329**

**On the following measure:**

**S.B. 823, S.D. 1, H.D. 1, RELATING TO MOTOR VEHICLE REPAIRS**

Chair Takumi and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to address issues that arise during the repairs of newer motor vehicle models and the use of original equipment manufacturer parts and like kind and quality parts.

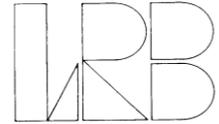
This bill mandates insurers to "clearly" make available to their policyholders, during initial applications or renewal of their policies, the option of authorizing the use of like kind and quality or original equipment manufacturer crash parts for motor vehicles' repair work. However, the word "clearly" might not be uniformly used or applied throughout the industry, as insurers may have different approaches in complying with this requirement.

The Department notes that H.D. 1 tasks the Legislative Reference Bureau with conducting a study on issues affecting the use of after-market parts, licensing of motor vehicle body and repair shops, and whether consumers' motor vehicle insurance premiums will be affected. The Department is willing to assist with the study, if needed. The Department also respectfully requests that any changes to Hawaii Revised Statutes section 431:10C-313.6 be made after completion of the study.

Thank you for the opportunity to testify on this measure.

Charlotte A. Carter-Yamauchi  
Director

Research (808) 587-0666  
Revisor (808) 587-0670  
Fax (808) 587-0681



LEGISLATIVE REFERENCE BUREAU  
State of Hawaii  
State Capitol, Room 446  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Written Testimony

**SB823, SD1 HD1  
RELATING TO MOTOR VEHICLE REPAIRS**

Testimony by the Legislative Reference Bureau  
Charlotte A. Carter-Yamauchi, Director

Presented to the House Committee on Consumer Protection and Commerce

Tuesday, March 19, 2019, 2:00 p.m.  
Conference Room 329

Chair Takumi and Members of the Committee:

Good afternoon Chair Takumi and members of the Committee, my name is Charlotte Carter-Yamauchi and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written comments on S.B. No. 823, S.D. 1, H.D. 1, Relating to Motor Vehicle Repairs.

The purpose of this measure is to:

- (1) Require insurers to clearly give consumers notice of the choice of whether to use an aftermarket part, if available, or an original equipment manufacturer part for motor vehicle body repair work, and that notice must be given at the time the insurer offers new or renewal motor vehicle policy coverage; and
- (2) Require the Legislative Reference Bureau to study the safety hazards of aftermarket parts, licensure of motor vehicle body repair shops, and the fiscal impacts this Act will have on consumers.

More specifically, with respect to the study to be conducted by the Legislative Reference Bureau, the measure requires the Bureau to determine whether:

- (1) The use of aftermarket parts pose any safety hazards to consumers if they are installed properly;
- (2) Motor vehicle body repair shops should be licensed by the State; and
- (3) The provisions as required by this Act will require consumers to pay higher insurance prices.

While the Legislative Reference Bureau takes no position on the measure, we submit the following comments for your consideration.

With regard to the requirement that the Bureau study whether the use of aftermarket parts pose any safety hazards to consumers if they are installed properly, we note that, as currently drafted, the text of this provision is far too vague to provide any sort of guidance on what the Bureau is to study. If the intent of the reference to "aftermarket parts" is to mean motor vehicle parts that are manufactured by a manufacturer other than the original equipment manufacturer, then it should be so specified in the measure. Furthermore, even if the reference to "aftermarket parts" is limited to motor vehicle parts, the measure does not seem to contemplate the vast number and types of aftermarket parts available for the multitude of motor vehicles currently in service in the State, nationally, and internationally. Aftermarket motor vehicle parts range from tires to light bulbs to camper backs for pickup trucks to gear shift knobs to anything a consumer is willing to purchase for the consumer's motor vehicle. The possibilities are literally endless. Moreover, the measure also does not seem to contemplate circumstances under which, regardless of whether the aftermarket part was installed correctly, parts are used in situations beyond the control of the manufacturer, including but not limited to misuse, abuse, or failure to properly maintain the vehicle or part by the motor vehicle operator. Without a significant narrowing of the subject matter's scope, such a study would appear to be impractical, if not impossible. Moreover, the Bureau lacks any subject matter expertise with respect to motor vehicle parts and equipment, motor vehicle repairs, and relevant safety issues.

With regard to the requirements that the Bureau study whether motor vehicle body repair shops should be licensed by the State and if the provisions of the measure will require consumers to pay higher insurance prices, the Bureau notes that such analyses, by law, are required to be directed to the Auditor.

Section 26H-6, Hawaii Revised Statutes, sets forth the process by which such analyses shall be made:

**§26H-6 New regulatory measures.** New regulatory measures being considered for enactment that, if enacted, would subject unregulated professions and vocations to licensing or other regulatory controls shall be referred to the auditor for analysis. Referral shall be by concurrent resolution that identifies a specific legislative bill to be analyzed. The analysis required by this section shall set forth the probable effects of the proposed regulatory measure and assess whether its enactment is consistent with the policies set forth in section 26H-2. The analysis also shall assess alternative forms of regulation. The auditor shall submit each report of analysis to the legislature.

As required under section 26H-6, Hawaii Revised Statutes, a bill establishing a proposed regulatory framework for motor vehicle body repair shops must be before the Legislature, and a concurrent resolution requesting the Auditor to conduct an analysis of the

proposal must be adopted. As currently drafted, it seems that the study requested under this measure does not comply with existing law.

Consequently, if the Committee desires to recommend passage of this measure, the Bureau respectfully requests that the proponents of the measure be consulted to propose a significant narrowing of the scope of exactly what aftermarket parts are to be studied, and the parameters under which the parts are considered to pose a safety hazard to consumers. In addition, in order to comply with existing state law, the aspects of the study that ask whether motor vehicle body repair shops should be licensed by the State and if the provisions of the measure will require consumers to pay higher insurance prices, should first establish a proposed regulatory framework, be redirected to the Auditor, and a concurrent resolution requesting that the Auditor analyze the measure in accordance with sections 26H-2 and 26H-6, Hawaii Revised Statutes, should be adopted.

Furthermore, if the Committee desires to keep the Bureau involved in the study of the safety of aftermarket motor vehicle parts, then we respectfully request that an appropriation be made for the Bureau to contract the services of a contractor with subject matter expertise and that the contracting of such services be exempted from the Procurement Code in order for the Bureau to meet the reporting deadline to the 2020 Legislature.

If the measure is amended to address the concerns noted above to narrow the scope of the study, the Bureau believes that the services requested under the measure would be manageable and that the Bureau will be able to provide the services in the time allotted; provided that the Bureau's interim workload is not adversely impacted by too many other studies or additional responsibilities, such as conducting studies, writing or finalizing other reports, drafting legislation, or any combination of these for the Legislature or for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for your consideration.

Hawaii State Legislature  
House Committee on Consumer Protection and Commerce

March 19, 2019

*Filed via electronic testimony submission system*

**RE: SB 823, SD1, HD 1, Relating to Motor Vehicle Repairs – NAMIC’s written testimony in opposition**

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the March 19, 2019, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

The National Association of Mutual Insurance Companies (NAMIC) is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country’s largest national insurers. NAMIC members represent 40 percent of the total property/casualty insurance market, serve more than 170 million policyholders, and write nearly \$225 billion in annual premiums. NAMIC has 84 members who write property/casualty and workers’ compensation in the State of Hawaii, which represents 28% of the insurance marketplace.

NAMIC commends the Hawai’i State Legislature for its commitment to thoughtful and deliberative policymaking by each and every committee. Although NAMIC still has concerns with the most recent amendments (SB 823, SD1, HD1), we appreciate how the legislature is revising the bill to address the *actual reality of what consumers want and need*, i.e. competitive and cost-effective auto insurance options. We respectfully request that this committee take the next logical step toward making the proposed legislation more consumer-friendly.

Insurance policyholders, as a general class of consumers, want the flexibility to address their insurance needs in a manner that reflects their personal risk of loss exposure, individual preferences, and financial constraints. There is no evidence to support the contention that the vast majority of insurance consumers want or need repairs with more expensive OEM parts. The contrary is true – most consumers want safe and reliable less expensive aftermarket parts (AMP) used, because they understand the inescapable reality of life ... *more expensive parts, means more expensive repairs, which means more expensive auto insurance products*. Moreover, since most auto insurance consumers go years or even decades without an auto insurance claim, leaving the decision as to whether the consumer wants to purchase more expensive OEM parts at the time of the insurance claims incident promotes meaningful consumer choice and is more cost-effective for the consumer.

Additionally, there is also no evidence to support the contention that consumers don’t already understand what type of parts coverage (OEM parts priced coverage or AMP parts priced coverage) they are securing with their auto insurance policy. *The fact of the matter is that individuals who want their vehicle repaired with OEM parts already shop for this personal preference when selecting auto insurance*. Therefore, burdensome additional consumer notice, which is unavoidably an insurance rate cost-driver, isn’t necessary. If the legislature believes that additional consumer notice is necessary as a legislative compromise, NAMIC suggests that the legislature make the notice provision as cost-effective as possible, which means minimal administrative requirements.

For the aforementioned reasons, NAMIC respectfully requests a **NO VOTE on SB 823, SD 1, HD 1, because the bill is really a solution in search of a problem**. In the alternative, if the committee believes that some sort of political compromise is needed, NAMIC recommends one that does not impose upon consumers unwanted and unneeded expensive OEM parts, and one that doesn’t burden consumers with unnecessary and costly disclosures about something the consumer already knows about and can readily address now if OEM parts are a personal auto repair preference.



Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC's written testimony.

Respectfully,

Christian John Rataj, Esq.  
NAMIC Senior Regional Vice President  
State Government Affairs, Western Region

**HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE**

March 19, 2019

Senate Bill 823 S.D.1 H.D.1 Relating to Motor Vehicle Repairs

Chair Takumi, Vice-Chair Ichiyama, members of the House Committee on Consumer Protection and Commerce, I am Rick Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm). State Farm offers these comments about S.B. 823 S.D.1 H.D.1 Relating to Motor Vehicle Repairs, and more specifically, Original Equipment Manufacturer (OEM) and Aftermarket Parts.

State Farm agrees with the comments submitted by the Hawaii Insurers Council (HIC), and opposes Sections 1 and 2 of the bill. State Farm believes that the HIC proposed language adding a new subsection (d) to HRS §431:10C-313.6 is reasonable. Because of the systems hours involved, State Farm's only suggestion is to delay the effective date of the bill to allow a reasonable time to develop the proposed notice for newly issued policies, perhaps to January 1, 2020.

State Farm believes that the HIC proposed language will result in reasonable notice to consumers.

Thank you for the opportunity to present this testimony.

## TESTIMONY OF MICHAEL ONOFRIETTI

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COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Representative Roy M. Takumi, Chair  
Representative Linda Ichiyama, Vice Chair

Tuesday, March 19, 2019  
2:00 p.m.

### **SB 823, SD1, HD1**

Chair Takumi, Vice Chair Ichiyama, and members of the Committee on Consumer Protection & Commerce, my name is Michael Onofrietti, ACAS, MAAA, CPCU, Senior Vice President, Actuarial Services, Product Development & Management for Island Insurance and Chairman of the Auto Policy Committee for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council opposes Section 1 and 2 of this bill. We ask that the language contained in lines 12-16 on page 1 and lines 1-2 on page 2 be stricken as they combine two different concepts, are confusing, and unnecessary.

In Section 2 of the bill, we believe the language being proposed will invite litigation and instead propose the following,

~~§431:10C-313.6~~ **Original equipment manufacturer's and like kind and quality parts.**

(d) Every insurer issuing a motor vehicle insurance policy shall disclose in writing to the insured the following at the issuance or delivery of a policy, or, for a policy already in effect on July 1, 2020, disclosure shall be made at the first renewal on or after July 1, 2020:

%ou have the option of authorizing a repair shop to use a like kind and quality part or an original equipment manufacturer part in the repair of your vehicle.

If you choose to authorize the use of a like kind and quality part, we guarantee the quality of that part for at least 90 days or for the same guarantee period of the original equipment manufacturer part, whichever is longer.

If you choose to require the use of an original equipment manufacturer part, you will pay the additional cost to the repair shop.+

No further disclosure shall be required to be included in any other renewal or replacement policy.+

Thank you for the opportunity to testify.

Testimony from Van Takemoto, President, Island Fender  
For the Automotive Body and Painting Association of Hawaii  
and vehicle occupants of Hawaii  
In strong support of SB823 HD1 – Relating to Motor Vehicle Repairs  
COMMITTEE ON CONSUMER PROTECTION AND COMMERCE,  
Wednesday, February 6, 2019

Chair Takumi, Vice-Chair Ichiyama and members of the Committee on Consumer Protection and Commerce, I am here to testify in strong support of SB823 HD1 and would like the committee to consider some suggested revisions.

My name is Van Takemoto, I am the owner/president of Island Fender. I am a specialist in Collision Repair and have been involved in this industry since 1971 and I am also a licensed mechanic. We are a small family business that specializes in damage analysis, repair planning and the repair of collision damaged vehicles. We are dedicated to maintaining the safety system designed into today's vehicles.

We were the first collision repair business in Hawaii to earn the designation of Gold Status by I-CAR and have maintained that designation with technicians recognized as Platinum Trained Individuals who have obtained this highest level of collision training and continuing education, which is a requirement of that designation.

I-CAR, the Inter-Industry Conference on Auto Collision Repair, is an international not-for-profit organization dedicated to providing the information, knowledge and skills required to perform complete, safe and quality repairs.

Formed in 1979 out of a collaboration across the six segments of the collision repair Inter-Industry, I-CAR serves -- and is represented by -- all segments of the Inter-Industry:

- Collision repair
- Insurance
- Original equipment manufacturers (OEMs)
- Education, training and research
- Tools, equipment and supply
- Related industry services

I have also made a substantial investment in training and equipment to be one of a handful of facilities certified in collision repair by many vehicle manufacturers. We are one of two certified by Mercedes-Benz, and the only facility certified by Volkswagen. We are also certified by US and Asian Vehicle Manufacturers.

I am here to testify on behalf of the Automotive Body and Painting Association of Hawaii for the drivers and passengers of Hawaii, especially those that have had the misfortune of being involved in an auto accident.

Hawaii is the only state in the country that REQUIRES CLAIMANTS TO PAY THE INCREASED COST OF ORIGINAL EQUIPMENT MANUFACTURED" CRASH PARTS IN BODY REPAIR.

HRS § 431:10C-313.6 that SB2243 HD1 refers to, currently requires insureds and claimants to pay the difference between the cost of cheaper aftermarket crash parts and the original equipment manufacturer's crash parts.

We would like to suggest that the words "or claimant" be deleted from this section. A third party claimant could have legal recourse against the at fault insured if his insurer does not pay to restore the third party (not at fault) claimant's vehicle to its pre-loss condition.

In 1997 when HRS § 431:10C-313.6 was passed into law, body repair crash parts were cosmetic in design, so it seemed reasonable to use cheaper aftermarket parts that fit and looked like the original equipment manufacturer crash parts. Crash parts were merely cosmetic parts.

Fast forward twenty years and crash parts today are engineered and crash tested as a part of a complex safety system. The cars of today protect the occupants from injury by managing the collision forces to move over and under the passenger compartment. Occupant safety systems like seatbelts and airbags are engineered to respond to critical timing to hundredths of a second. Too fast or too slow and someone gets hurt or dies.

This section of the HRS applies only to a "part for motor vehicle body repair work" or CRASH PARTS and DOES NOT APPLY to aftermarket mechanical or non-crash parts like radiators, air conditioning condensers, brakes or consumables like wiper blades, coolants, tires, wheels and fluids. IT ONLY APPLIES TO BODY REPAIR PARTS or CRASH PARTS.

We would like to suggest that the word "crash" be added in front of all references to "parts" in this section to make it clearer that this section is only referring to the "crash" parts versus "mechanical and other non-crash parts.

Crash parts are defined in HRS437B-1 Definitions. "Crash parts" means motor vehicle replacement parts, either sheet metal or plastic, which constitute the visible exterior of the vehicle, including inner and outer panels, and which are repaired or replaced as the result of a collision.

We would like to suggest that sub section (b) be amended by adding: shall carry a guarantee in writing, for the performance of the crash part in the vehicle's safety systems in a subsequent collision,

Special interest testimony has or will bring up several points to confuse the relative issues of SB823 HD1 and I would like to address them at this time.

Increase in premiums. This is not a true statement.

- Property Casualty Insurers Association of America reported if all AM parts (this includes radiators and condensers) were banned: consumers with liability and physical damage coverages may have paid an additional 2.6 percent (or \$24) more per insured car each year because non-OEM aftermarket parts were banned. That's \$2.00 per month per vehicle.
- Insurers Information Institute reported in Trends, Challenges and Opportunities in Personal Lines Insurance in 2016 & Beyond that Hawaii was the most profitable state in the country for Personal Auto at 18.7%, three times more profitable than the national average.

- Local insurance companies like First Insurance, Island Insurance, Dtric and some national insurers like Progressive and All State, do not make Hawaii insureds or claimants pay the difference and yet they compete against the few large national insurers and their associations who are here to testify against SB823 HD1.

Increase in total losses, therefore increasing premiums. This is not a true statement.

- Aftermarket Crash Parts makes up a small percentage of the overall cost to repair collision damaged vehicles.
- The Property and Casualty Insurers Association of America's, Special Report, Aftermarket Parts: A \$2.34 Billion Benefit for Consumers reported that excluding labor, total crash part costs are about \$42.25 billion (\$3.90 billion—non-OEM and \$38.35 billion—OEM). Aftermarket parts is therefore 9.23% of the total parts cost.
- Total Parts Costs are around 42.6% of the total repair cost, so aftermarket crash parts is only 3.93% of the total cost. This is a small number and plays a very small factor in declaring a car a total loss.
- Local insurers and many national insurance companies already pays for OEM Crash Parts and they continue to operate profitably.

Will lead to an OEM monopoly and increased OEM part prices. This is not a true statement.

- OEM part prices, MSRP, Manufacturer's Suggested Retail Price is national and international in scope, and not priced State to State.
- Hawaii is only one of 50 states and it is ludicrous to think that SB2243 will have any effect on the MSRP. We are a small part of the total market.

Anti-Aftermarket parts. This is not a true statement.

- Auto Body shops use and will continue to use and offer aftermarket mechanical and consumables that can be mechanically and scientifically proven to be of like kind and quality.

Aftermarket crash parts are of like kind and quality. This is not a true statement.

- Some may be of like kind and quality in fit and finish, or how it looks.
- In reality many CAPA Certified parts are not of like kind and quality in fit and finish. Even Geico appraisers have confirmed this after inspecting vehicles trial fitted with aftermarket CAPA Certified parts.
- Aftermarket crash parts have never been engineered or tested, by the aftermarket part manufacturers or CAPA, in the vehicle manufacturer's safety system.
- If some CAPA certified crash parts do not even qualify in fit and finish, how do you think they will perform in an actual crash. Hope you are lucky and get a good one? Live or die?
- Low speed crash tests of installed aftermarket crash parts by Volkswagen have proven that aftermarket parts installed in their safety system adversely affected the crash system. It caused the airbags to deploy when they weren't supposed to and greatly increased the damage to the vehicle and the costs to repair them.

Opposition to SB823 HD1 is about self-interest and greed.

Support for SB823 HD1 is about consumer protection, safety and looking after consumer's interests.

Thank you for allowing me to testify in support of SB823 HD1 a consumer protection bill.

Van Takemoto  
President, Island Fender  
807 Ilaniwai Street,  
Honolulu, Hi 96813  
[van@islandfender.com](mailto:van@islandfender.com)

and on behalf of the:

The Automotive Body and Painting Association of Hawaii.

**SB-823-HD-1**

Submitted on: 3/18/2019 9:06:41 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Duane Bullard	CRI-BULL	Support	No

Comments:

During our time in business, we have found about 90% of our customers are unaware of their insurance company demanding that aftermarket parts are to be used on their vehicles regardless of the age of the vehicle. I beleive that after talking with the customers that they would have elected to go with another insurance company than one that requires aftermarket parts.

Testimony from Mattson C. Davis, Owner of Ulu Development LLC  
In support of SB823.SD1.HD1; Relating to Motor Vehicle Repairs  
House Committee on Consumer Protection & Commerce  
Tuesday, March 19, 2019, 2:00 p.m. Room 329

Aloha Chair Roy Takumi, Vice-Chair Linda Ichiyama and Members of the Committee,

My name is Mattson C. Davis, I am the Owner of Ulu Development LLC, located in Kailua-Kona on Big Island of Hawaii.

High quality and safety has and always been a focal point when driving to work, transporting family members and racing at BMW driving schools all over the world, I am sincerely honored to testify in support of SB823 .SD1.HD1.

In regards to the current §431:10C-313.6, no legislature measure should have to regulate proper and safe repairs. Vehicle manufacturers have already researched and developed proper repair procedures that have been tested in order to assure that the vehicle will function in the manner that it was originally engineered to do so if involved in a subsequent accident. With the technological advancements in the way today's vehicles are designed and built, the only proper way to repair today's vehicles are to follow the vehicle manufacturer's specific repair procedures, which also includes the use of their Original Equipment Manufacturer (OEM) parts. No vehicle manufacturer has ever recommends the use of non-OEM parts. Especially now in today's world, Advanced Driver Assistance System (ADAS) in vehicles are very complex and many of them are integrated within each other. Safety systems like Supplementary Restraint Systems (aka Air Bags), Adaptive Cruise Controls, Automatic Braking Systems, Collision Avoidance Systems, Blind Spot Detection Systems and many more utilizes electronic control modules, sensors, lasers and infra-red thermal cameras, that many times are integrated within each other (see page 4) and its proper operation can be compromised by not following the vehicle manufacturer's repair procedures and the use of non-OEM parts, this also includes the use of used or recycled OEM parts.

Opponents of this change do not know how to properly repair today's vehicles themselves, they do not have the years of experience repairing vehicles that we do, which also includes the use of aftermarket parts and OEM parts. If the opponents are so adamant that the aftermarket parts are equal to or better than OEM parts then why does the local aftermarket parts vendor refuse to sell us any of their aftermarket parts? Their response to me was that we returned 85% of their parts. This 85% of parts returned to the aftermarket vendor was because those aftermarket parts when compared to OEM parts were not equal to or better than an OEM part. The aftermarket bumper covers, headlamps, grilles and fender's mounting holes were in different locations and the mounting holes themselves were of different shape. Some of the aftermarket parts found were also of substandard quality due to waviness found within the panel(s), incorrect body character lines, different (thinner) sheet metal thickness, differences (lighter) in weight, differences in surface primer, safety crush zones or convolution that are designed into the OEM part to absorb collision energy by collapsing or bending in a controlled manner would be either located in a different location or the profile of the convolution itself would be different, even bumper covers would expand in direct sunlight. Headlamps and tail lamps sometimes would not fit properly and when they did fit properly sometimes water would leak into the assembly at the time of installation and sometimes they would leak weeks after the installation. I'd also like to state that 100% of these returned aftermarket parts were inspected, document and authorized for return by GEICO representatives due to the parts inferiority. I'd also like to state that these returned aftermarket part were also of Certified Automotive Parts Association (CAPA).

There is no such thing as a like kind and quality part being of equal to or better quality than the original equipment manufacturer crash part. The only thing that is equal to an OEM part... is an OEM part.

*The scenario is similar to diamonds; either it is a diamond or it is not a diamond. Moissanite, Cubic Zirconia, Zircon, White Sapphire, Rutile, Spinel, Synthetic Garnet and even Glass can look similar to diamonds, especially to the untrained eye, but they are still not diamonds. The Mohs scale of mineral hardness is utilized to rate gemstones, in this case diamonds are rated at 10, being the hardest natural gemstone known. All other gemstones being softer are rated below 10, as do not have the same hardness as a real diamond. So like an aftermarket part... fit and finish may be closely imitated but performance and value is another story.*

Opponents have advertently confused the issue by stating that such items as tires, brakes, belts, filters, exhaust, glass and even radiators and air conditioning condensers are manufactured by someone other than the vehicle manufacturer, which is true, but I will attest that even these parts in aftermarket are not the same. The simple fact that aftermarket radiators and condensers have less core tubes and less cooling fins per square inch than an OEM would consider them to be different. But what is truly being addressed here are collision parts that are utilized as part of the vehicle's Advanced Driver Assistance System (ADAS) and/or safety system. A bumper cover is considered as part of the vehicle's ADAS due to ADAS components being located behind of the bumper cover, an incorrect thickness of the bumper cover could impede the proper operation of the ADAS. The windshield is part of the vehicle's safety system but could also be a part of the ADAS if there is an accident avoidance component directly behind of the windshield, a slight difference in film thickness and/or tint in an aftermarket windshield could also impede the proper operation of the ADAS. The design and strategically placed convolutions within the hood makes the hood a safety system.. SB823 SD1 addresses this issue by applying "crash" parts into the current §431:10C-313.6.

There is only one insurance company in the State of Hawaii that mandates the use of aftermarket parts, GEICO. All other insurance companies, including all local Hawaii based insurance companies do not mandate the use of LKQ or aftermarket parts, they understand the quality, safety, liability and customer satisfaction aspects of following recommendations set forth by the vehicle manufacturers. The current HRS 431:10C-313.6 unjustly transfers the cost of proper and safe collision repairs to Hawaii's consumers. Though not in its entirety, SB823 SD1 does address these issues. And in reality no statute should have to address this, as the choice of which type of parts are to be used to repair a vehicle, should be the owner of the vehicle, and should be addressed at the time of the insurance policy purchase or policy renewal, not at the time of the accident, which SB823 D1 addresses.

Though I do not agree that any consumer must pay for the cost difference between a "like kind and quality" part and an original equipment manufacturer part, especially when it comes to safety, I did find comfort that "claimants" was removed in SB823 SD1. Leaving "claimants" in SD823 SB1 HB1 incurs increased cost to the innocent party, the claimant, and opens the insured and insurer to legal ramifications. There are also additional monetary considerations in diminished value when utilizing aftermarket parts. I respectfully encourage you to move forward with removing all words pertaining to claimants as in SB823 SD1.

SB823 SD1 is based on preventing additional cost to the claimant consumer and it does take into consideration the safety aspect for the insured consumer. Support of SB823 SD1 is about consumer safety and protection, opposition to SB823 SD1 is about money... and safety should always be priority. I am in support of SB823 SD1 HD1 but respectfully request the Committee to consider my comments in this testimony, and to please reconsider SB823 SD1. Thank you for your time and allowing me to testify.

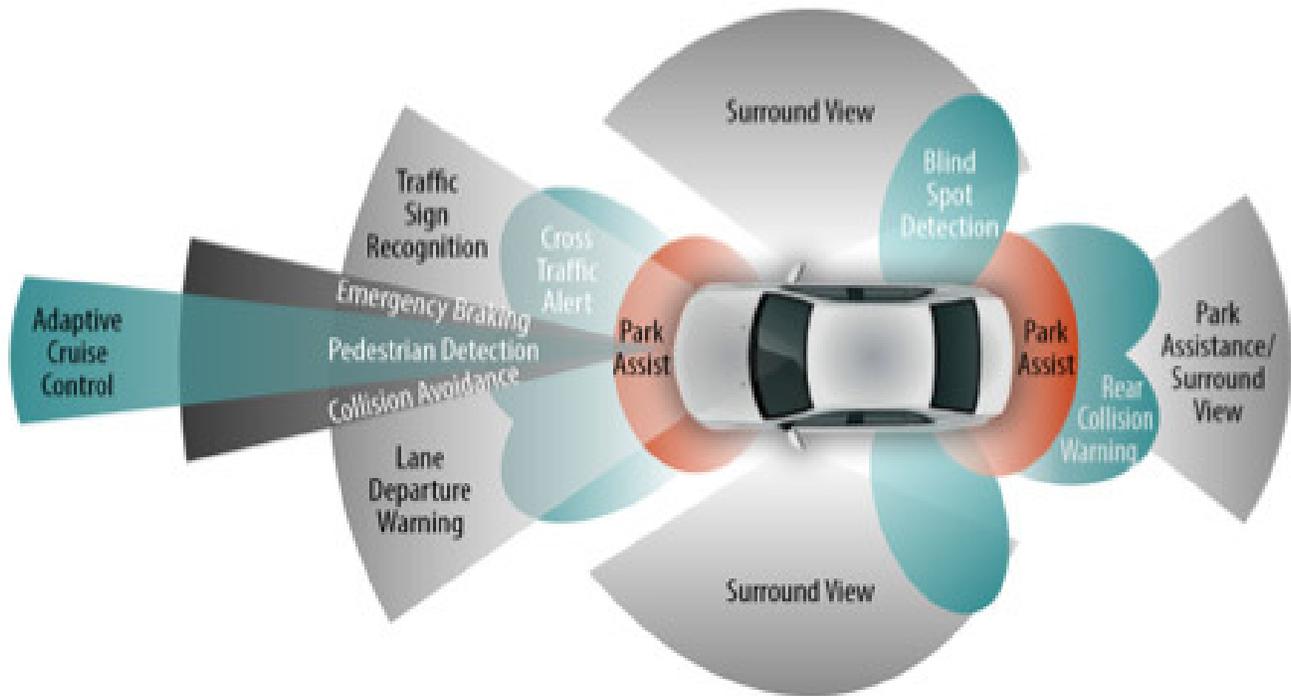
Mahalo,

A handwritten signature in black ink, appearing to read 'Mattson C. Davis', written over a light blue horizontal line.

Mattson C. Davis  
Ulu Development LLC.  
74-5617 Pawai Pl. #207  
Kailua-Kona, Hawaii 96740  
Mattson@ManiniHoldings.com

**I-CAR**, the Inter-Industry Conference on Auto Collision Repair, is an international not-for-profit organization dedicated to providing the information, knowledge and skills required to perform complete, safe and quality repairs. Formed in 1979 out of a collaboration across the six segments of the collision repair Inter-Industry, I-CAR serves and is represented by all segments of the Inter-Industry: Collision repair, Insurance, Original equipment manufacturers (OEMs), Education, training and research, Tools, equipment and supply, and related industry service

**ASE**, the National Institute for Automotive Service Excellence, since 1972 is an independent non-profit organization that works to improve the quality of vehicle repair and service by testing and certifying automotive professionals. ASE test and certifies automotive professionals so that shop owners and service customers can better gauge a technicians level of expertise before contracting the technician's services and can offer tangible proof of their technical knowledge



March 18, 2019

The Honorable Roy M. Takumi Chair  
Committee on Consumer Protection & Commerce  
415 South Beretania Street  
Honolulu, HI 96813

RE: SB 823 SD1 HD1

Dear Chair Takumi,

Prism Group LLC supports Senate Bill 823 SD1 HD1

Having the legislative reference bureau study the safety hazards of aftermarket parts is an excellent idea. Then, finally this issue can be put to rest. I would encourage you and other members of this committee to ask the reference bureau to contact me. I would like nothing more than to physically show the members of this bureau exactly what aftermarket parts consist of. Earlier this year I showed this committee a bumper cover. Based on the outcome of HB62, I believe that physically viewing an aftermarket part help to clarify the type and scope of the parts in question. I would like the reference bureau to have that same clarity so that their research accurately focuses on aftermarket parts and not other things like air bags. I look forward to having the legislative reference bureau contact me. [Prismgroupac@gmail.com](mailto:Prismgroupac@gmail.com) or 808-833-4200

Thank you

Mike Yang  
Prism Group LLC

Testimony from Dale Matsumoto, President of Auto Body Hawaii, Kailua-Kona  
In support of SB823.SD1.HD1; Relating to Motor Vehicle Repairs  
House Committee on Consumer Protection & Commerce  
Tuesday, March 19, 2019, 2:00 p.m. Room 329

Aloha Chair Roy Takumi, Vice-Chair Linda Ichiyama and Members of the Committee,

My name is Dale Matsumoto, I am the President and a co-owner of Auto Body Hawaii, located in Kailua-Kona on Big Island of Hawaii. We are a family owned and operated company that has been in business here in Kona for over 43 years. I have been honored to have been able to personally take care of people in repairing their vehicles that have been in an unfortunate collision and also those that are in need of mechanical repairs since 1979. As my wife says, though we are in the business of repairing vehicles, we are really in the customer service business, it just so happens that we repair cars... so for us, people do come first. We are well known for our high quality standards in repairing vehicles and also hold high quality standard of excellence in continuous training for our entire staff. We are known throughout the collision industry, in our community, in this State, the Nation and in different parts of the world. We are also well known in the insurance industry through out the State of Hawaii for our high quality standards, exceptional technical knowledge of repairs, and extremely high customer satisfaction. We are proud to have attained the prestigious Gold Class status by I-CAR, which according to I-CAR, only approximately 20% of collision repair shops in the nation have attained. I-CAR's Gold Class designation lets you know that a collision repair shop has trained technicians who know how to repair your vehicle properly. We were the first and only Authorized Aluminum Collision Repairer for Jaguar in the State of Hawaii in 2004. We were also the first and only Certified Collision Repairer for Mercedes-Benz in the State of Hawaii in 2005. And we are the only Certified Collision Repairer for Honda, Acura and Nissan on the Big Island. We are also the only collision repairer for aluminum vehicles on the Big Island since 2003. Our technicians, including myself, are I-CAR trained, ASE certified and, we have also attained our Hawaii State mechanic's licenses.

As does the vehicle manufacturers, high quality and safety has and always will be our focal point when repairing vehicles, therefore on behalf of myself, our entire staff and our company, Auto Body Hawaii, I am sincerely honored to testify in support of SB823.SD1.HD1.

Vehicle manufacturers have already researched and developed proper repair procedures that have been tested in order to assure that the vehicle will function in the manor that it was originally engineered to do so if involved in a subsequent accident. With the technological advancements in the way today's vehicles are designed and built, the only proper way to repair today's vehicles are to follow the vehicle manufacturer's specific repair procedures, which also includes the use of their Original Equipment Manufacturer (OEM) parts. No vehicle manufacturer has ever recommended the use of non-OEM parts. Especially now in today's world, Advanced Driver Assistance System (ADAS) in vehicles are very sensitive and complex and many of them are integrated within each other. Safety systems like Supplementary Restraint Systems (aka Air Bags), Adaptive Cruise Controls, Automatic Braking Systems, Collision Avoidance Systems, Blind Spot Detection Systems and many more utilizes electronic control modules, sensors, lasers and infra-red thermal cameras, that many times are integrated within each other (see page 4) and its proper operation can be compromised by not following the vehicle manufacturer's repair procedures and the use of non-OEM parts, this also includes the use of used or recycled OEM parts as stated by many, if not all vehicle manufacturers.

Opponents of this change do not know how to properly repair today's vehicles, they do not have the years of experience repairing vehicles that we do, which also includes the use of aftermarket parts and OEM parts. If the opponents are so adamant that the aftermarket parts are equal to or better than OEM parts then why does the local aftermarket parts vendor refuse to sell us any of their aftermarket parts? Their response to me was that we returned 85% of their parts. This 85% of parts returned to the aftermarket vendor was because those aftermarket parts, when compared to OEM parts were not of equal to or better than quality than an OEM part. The aftermarket bumper covers, headlamps, grilles and fender's mounting holes were in different locations and the mounting holes themselves were of different shapes and sizes. Some of the aftermarket parts found were also of substandard quality due to waviness found within the panel(s), "oil canning", incorrect body character lines, different (thinner) sheet metal thickness, differences (lighter) in weight, differences in surface primer, safety crush zones or convolution that are designed into the OEM part to absorb collision energy by collapsing or bending in a controlled manner would be either located in a different location or the profile of the convolution itself would be different, even a bumper cover that would expand in width in direct sunlight. Headlamps and tail lamps sometimes would not fit properly and when they did fit properly sometimes moisture would condense into the assembly at the time of installation and sometimes they would condense weeks after the installation. I'd also like to state that 100% of these returned aftermarket parts were inspected, documented and authorized for return by GEICO representatives due to their inferiority. So this is not just us stating so, the fact that GEICO's own representative recognized that these aftermarket parts were not of equal quality or greater than OEM parts, confirms that aftermarket parts are not the same as OEM parts. I'd also like to state that 100% of these returned aftermarket parts were of Certified Automotive Parts Association (CAPA) parts.

To date, there is no such thing as a like kind and quality part being of equal to or better quality than the original equipment manufacturer crash part. The only thing that is equal to an OEM part... is an OEM part.

*The scenario is similar to diamonds; either it is a diamond or it is not a diamond. Moissanite, Cubic Zirconia, Zircon, White Sapphire, Rutile, Spinel, Synthetic Garnet and even Glass can look similar to diamonds, especially to the untrained eye, but they are still not diamonds. The Mohs Scale of Mineral Hardness is utilized to rate gemstones, in this case diamonds are rated at 10, being the hardest natural gemstone known. All other gemstones being softer are rated below 10, as they do not have the same hardness as a real diamond. Moissanite is the closest rated gemstone to a diamond at 9.25. So like an aftermarket part... fit and finish may be closely imitated but performance and value is another story.*

Opponents have advertently confused the issue by stating that such items as tires, brakes, belts, filters, exhaust, glass and even radiators and air conditioning condensers are manufactured by someone other than the vehicle manufacturer, which is true, but I will attest that even these parts in aftermarket are not the same. The simple fact that aftermarket replacement radiators and condensers have less amounts of core tubes and less cooling fins per square inch than OEM one, would consider them to be different. But what is truly being addressed here are collision parts that are utilized as part of the vehicle's Advanced Driver Assistance System (ADAS) and/or safety system. A bumper cover is considered as part of the vehicle's ADAS due to ADAS components being located behind of the bumper cover, an incorrect thickness of the bumper cover could impede the proper operation of the ADAS as it was originally intended to. The windshield is part of the vehicle's safety system but could also be a part of the ADAS if there is an accident avoidance component

located directly behind of the windshield, a difference in film thickness and/or tint in an aftermarket windshield could also affect the proper operation of the ADAS as it was originally intended to. The design and strategically placed convolutions within the hood makes the hood a safety system. SB823 SD1 addresses this issue by applying “crash” parts into the current §431:10C-313.6.

There is only one insurance company in the State of Hawaii that consistently mandates the use of aftermarket parts, and that is GEICO. All other insurance companies, including all local Hawaii based insurance companies do not mandate the use of LKQ or aftermarket parts, they understand the value of quality, safety, liability and customer satisfaction in following recommendations set forth by the vehicle manufacturers. The current HRS 431:10C-313.6 unjustly transfers the cost of proper and safe collision repairs to Hawaii’s consumers. Though not in its entirety, SB823 SD1 does address these issues. And in reality no statute should have to address this, as the choice of which type of parts are to be used to repair a vehicle, should solely be the owner of the vehicle, and should be addressed at the time of the insurance policy purchase or policy renewal, not at the time of the accident, which SB823 D1 addresses. The scenario of diamonds also applies here... as in buy cheap, get cheap.

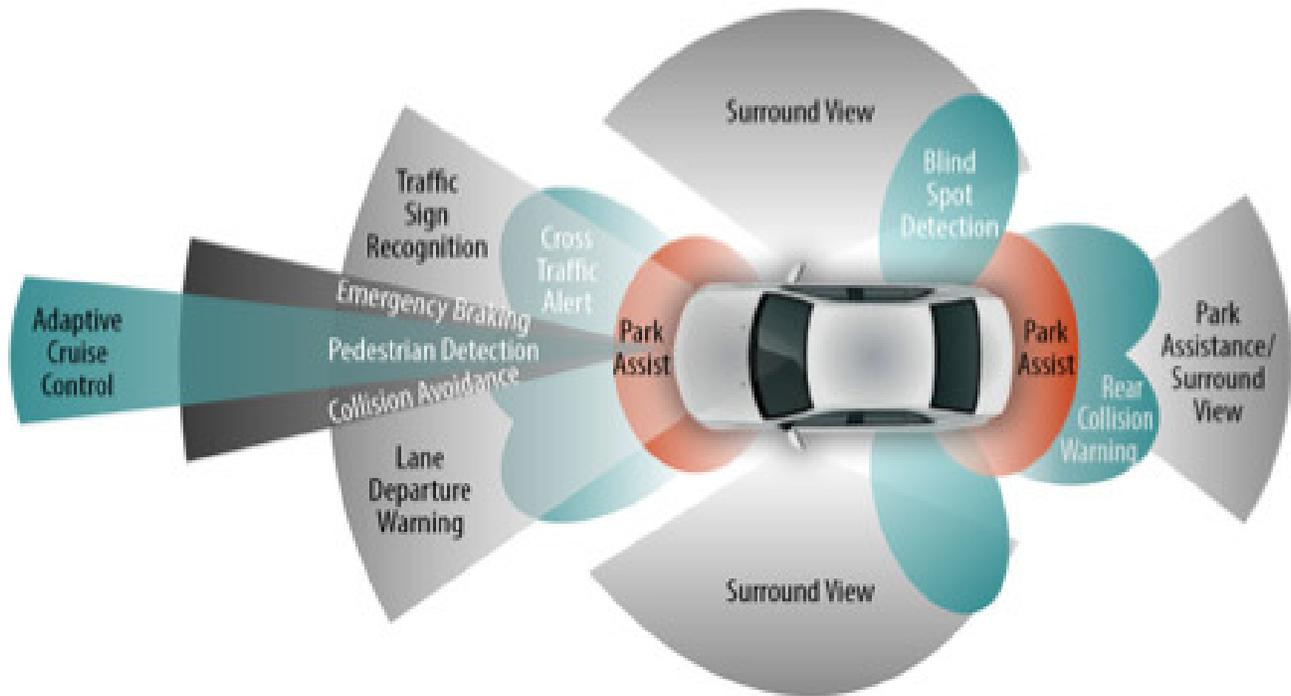
Though I do not agree that any consumer must pay for the cost difference between a “like kind and quality” part and an original equipment manufacturer part, especially when it comes to safety, I did find comfort that “claimants” was removed in SB823 SD1. Leaving “claimants” in SB823 SB1 HB1 incurs increased cost to the innocent party, the claimant, and opens the insured and insurer to legal ramifications. There are also additional monetary considerations in diminished value when utilizing aftermarket parts. I respectfully encourage you to move forward with removing all words pertaining to claimants as in SB823 SD1.

SB823 SD1 is based on preventing additional cost to the claimant consumer and it does take into consideration the safety aspect for the insured consumer. Support of SB823 SD1 is about consumer protection and safety, opposition to SB823 SD1 is about money... and safety should always be priority. I am in support of SB823 SD1 HD1 but respectfully request the Committee to consider my comments in this testimony, and to please reconsider SB823 SD1. Thank you for your time and allowing me to testify.

Dale Matsumoto, President  
Auto Body Hawaii  
73-5601 Maiau Street  
Kailua-Kona, Hawaii 96740  
[dale@autobodyhawaii.com](mailto:dale@autobodyhawaii.com)

**I-CAR**, the Inter-Industry Conference on Auto Collision Repair, is an international not-for-profit organization dedicated to providing the information, knowledge and skills required to perform complete, safe and quality repairs. Formed in 1979 out of a collaboration across the six segments of the collision repair Inter-Industry, I-CAR serves and is represented by all segments of the Inter-Industry: Collision repair, Insurance, Original equipment manufacturers (OEMs), Education, training and research, Tools, equipment and supply, and related industry service

**ASE**, the National Institute for Automotive Service Excellence, since 1972 is an independent non-profit organization that works to improve the quality of vehicle repair and service by testing and certifying automotive professionals. ASE test and certifies automotive professionals so that shop owners and service customers can better gauge a technicians level of expertise before contracting the technician's services and can offer tangible proof of their technical knowledge



**SB-823-HD-1**

Submitted on: 3/18/2019 8:12:22 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Linnell Heneralau	Individual	Support	No

Comments:

I am in support of Bill SB823 SB1

**SB-823-HD-1**

Submitted on: 3/18/2019 8:07:31 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John Florek	Individual	Support	No

Comments:

**In support with changes. Remove wording "claimants" as they are not in any contractual obligation with another party's insurance company. Hawaii state law should not dictate how one's car gets repaired if there is no contractual obligation between the insured and the claimant.**

**SB-823-HD-1**

Submitted on: 3/18/2019 11:25:47 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dylan Matsumoto	Individual	Support	No

Comments:

I am in support of SB123.

Sue Feleciano  
94-123 Akaku Place  
Mililani, HI 96789

19 March 2019

Hawaii State Legislature  
House Committee on Consumer Protection and Commerce  
415 South Beretania Street  
Honolulu, HI 96813

RE: SB823 Relating To Motor Vehicle Repairs

Dear Members of the Committee:

My name is Sue Feleciano, an average local citizen of our great Aloha State, who has been impacted by an automobile accident and the preceding motor vehicle repairs that were required.

My accident occurred on a beautiful Saturday afternoon while return home from a day of activities. I was rear ended by a fellow Geico policy holder. The impact from the accident was so intense and forceful that it rammed me into the vehicle in front of me causing rear and front damage to my Toyota 4 Runner. HPD responded to the accident and the individual that struck me was cited for the accident.

I have been a Geico policy holder for over 10 years here in Hawaii and many more years in the Mainland and Overseas locations. I was never advised of the additional cost for repair parts or any required after-market parts in my policy. I am especially concerned as I was the innocent party to this accident - I have never encountered these issues when involved in an accident with a different insurance company.

I contacted my Geico after the accident providing pictures and information on the accident. I provided the claims adjustor with the name of a local repair shop (as suggested by Toyota) but the first available date to repair my vehicle would have been several weeks away. Geico stated that they could not wait that long to repair and needed to get my vehicle into a repair shop immediately. Geico referred me to their Preferred shop stating it was one of the best on island and that they guarantee all their repairs and ensured me my vehicle would be brought back to "Pre-accident" condition. Being a loyal Geico customer I was assured that Geico had my best interest and the comforting 100% guarantee gave me confidence that this repair shop was the best on island as referred by Geico.

I was not aware that aftermarket/generic/refurbished parts were being utilized to repair my vehicle as I was constantly told that the repair parts from Toyota had a delay. I had many concerns about the frame and overall repairs and Geico consistently assured me that measurement repairs would be documented and approved by Geico. After 2 months of delays and reschedules my vehicle was ready and I was eager to have my vehicle back, my excitement was quickly shattered at the appearance of my vehicle.

I was immediately drawn to the different color of the replaced front bumper and the alignment. When I asked the shop foreman about the color he shrugged his shoulders and stated, "this is the way they sent it" I was curious about who "they" were and assumed it was Toyota. When I asked about painting he stated Geico did not provide it on the estimate. Further review of the back of my vehicle was worse with

obvious over lapping and gaps offsetting the lights – I was surprised my hatchback closed properly. I requested to speak to the Geico representative on site and she began discussing the actions with the shop foreman, she stated the action was minor cosmetic adjustments to which the shop foreman asked if I was taking the vehicle. I immediately contacted my Geico adjustor (who referred me to this shop) about the issues and was assured that all shops were having difficulty with Toyota parts on their fit and alignment but he would contact the shop owner. I also contacted my adjustor's supervisor in reference to the actions of the on-site adjustor and was told since my vehicle has been repaired and the issues were only cosmetic I technically should have taken my vehicle since Geico has been paying for a rental car beyond 30days. With the difficulties the shop had with the cosmetic repairs I had serious concerns about the true safety issues.

I was constantly told that all shops face fit issues, still believing these were issues with Toyota parts I asked if these are known issues throughout the industry and why is Toyota not being formally notified about the condition of their parts? I received a long speech about the process and that these issues have never happened at this shop before. After almost 4 months of constant back and forth, I was again notified my vehicle was ready to which I requested my Geico adjuster to be present. At the final pick up I was again filled with remorse and disappointment, the paint had orange peel, compound, and swirls that were not buffed out, the alignment issues with the bumpers remained, the hood now had a gap to which I could place my finger in and appeared as the hood would not close. The inside of my vehicle was covered with dust particles and shoe prints on the carpet and seats - to add insult, when I removed the paper cover from the driver's side (commonly used to protect the floor) there were muddy foot prints on my floor. Geico stated they would address these issues with the owner and again have the shop correct the issues and clean the vehicle. I requested the measurement of frame repairs but received no response, I only received the receipt of repairs from the shop which were based on the estimate provided by Geico. I was no longer confident in repairs or Geico's guaranteed preferred shops and requested a second opinion.

After researching some additional shops, I contacted reputable repair shops who advised that they were not on the Geico guarantee program and as a result Geico would not pay their rates and would not warrant my repairs. I was referred to Mr. Russel Chang when I contacted Geico who stated these shops inflate their costs which is why Geico does not utilize them and stated I needed to select a "Guaranteed Repair Program".

After hearing many other stories of preferred shops, I am left with the sentiment that the "Guaranteed Repair Program" is in the best interest of Geico and that the only repairs being considered are their estimates.

I thank you for your time and efforts in this matter and hope I was able to provide some thoughts and concerns about the issue and how it affects the consumer.

Sincerely,

Sue Feleciano



Relating to Motor Vehicle Repairs  
COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
Tuesday, March 18, 2019

Aloha Chair Takumi, Vice Chair Ichiyama and members of the Committee On Consumer Protection and Commerce, I am here to testify in strong support with the purpose of SB823 HD1. I am asking for amendments to the Bill.

My name is Sabrina Dela Rama, I am the manager of Tony Group Collision Center and a Board of Director for the Automotive Body and Paint Association of Hawai'i. I have been doing Collision repair for 30 years and we are a Licensed repair dealer shop, a certified OEM repairer, an I-CAR Gold Class shop, all our collision technicians are certified in all metal welding (Steel, Aluminum and Silicone Brazing) and I am an I-CAR Platinum individual as well. Our company invests in continued training and equipment's that is needed to repair today's vehicles.

I would like to explain why SB823 HD1 is needed and that's to correct an obsolete law written in 1997, HRS 431:10C.313 when written was about cosmetic parts, today's vehicle is built on safety avoidance systems and crash avoidance energy. Here is DATA by the IIHS on crashes decreasing because of all these technology AND safety features on cars. It shows **50%** less rear end collision's alone. **SEE attachments of EXHIBIT A**

I have pulled data that shows a decrease in deaths crashes, although population is higher year after year and millions more of miles driven from 1997-2017, this data was from The Insurance Institute for Highway Safety/Highway Loss Data Institute. IIHS shows dramatic drops in crashes and deaths each year, which means less risk, less cost in repairs and less injury claims, LESS premiums cost. **SEE attachments of EXHIBIT B**

There are many insurance companies and 3 of the local carriers that don't push the use of A/M (Generic) part for their damage analyzes and yet, they are very competitive in our market.

What concerns me the most with the current law is 3<sup>rd</sup> party consumers (innocent claimants). I also have concerns for consumers with Leased vehicle. HRS: 431:10C-313 causes the Lease to be in breach of their contract. I've read many lease agreements and they "require" Leased vehicle to be returned in the same condition.

Imagine you're the claimant (3<sup>rd</sup> party) and Geico's insured hits you, with 431:10C-313 you must pay the difference and if you can't pay the difference for someone else's fault, you may have just breached your lease agreement. You have NO choice with the obsolete 1997 law.

I support SB823 HD1 because it removes the claimants (3<sup>rd</sup> party) and addresses the policy upfront.

When consumers hear the would “like kind in quality” they are expecting the exact same fit, finish and integrity part as what was built on their vehicle. “Aftermarket” parts are; “generic”, not same as Original part.

As a consumer a reasonable person knows the difference between an aftermarket (generic) vs a Like kind in quality part. The current law states; “LKQ” but no one can prove such generic parts are LKQ. As a professional, I can tell you CAPA A/M parts are NOT Like kind in quality. Here are documents I’ve pulled from CAPA’S website. See attachments, in one-month CAPA has “DE-CERTIFIED” many parts that was once considered CERTIFIED. How does CAPA de-certify these parts, by independent shops. Shops must go online to CAPA’S website and register the part. This takes a lot of time for shops to do, guess how many shops really does it. Imagine how many “aftermarket/generic” parts don’t get reported? Evidences of 2 pages from CAPA’S website, this is just 1 aspect of the A/M parts NOT being like kind in quality, there’s so many other issues on that website from CAPA.

*I picked a random month from the CAPA’S WEBSITE-this is only 1 month of “decertified parts”. see the CAPA monthly recall report attachments.*  
**EXHIBIT (C) & EXHIBIT (C-1)**

Here is ANOHTER issue with generic DE-CERTIFIED PARTS vs OEM parts, when a generic part is de-certified, it’s the “INSTALLER” (shop) who has to notify the customers about their car having a DE-CERTIFIED part. However, when an OE manufacture has a re-called part, the OE Manufacture will send out a re-call notice to the owner. The car can be sold 10x’s and guess what; the current owner will get that recall letter. How is this done, whenever anyone orders an OEM part, the part department requires the VIN#, they register the part sold to that repairer or consumer to the VIN# and it gets tracked for the life of that vehicle from the OE manufacturer.

Consumer’s already “pre” paid a premium in advance to the insurance company, only when they are in a collision, are they fully aware of the aftermarket part cost difference. “**SURPRISE**”!!!!!!

*I always use this example to consumers when they find out after they are in a collision and has out of pocket expense. The insurance company made a bet with you (consumer), they (insurance company) said, I bet for X amount of \$’s a month you will NOT get into an accident. You (consumer) said, I will take on that bet and pay you that premium every month. Consumer paid premium every month, then the consumer gets into an accident, the insurance company lost that bet and now the terms of that bet is being changed AFTER THE consumer gets into an accident or they’re surprised.*

Geico’s GM has testified that Hawaii’s OEM part prices are higher than Alaska or the mainland. I have evidence to show that **Aftermarket parts** in Hawaii are higher than the mainland too, **3x’s** higher.

Why is it **3x’s** higher than several mainland companies?

**EXHIBIT (D)**

Here is another example, with the current law, if you have aftermarket parts for the repairs of your car, the law is NOT allowing you to take your vehicle to a certified manufacture shop unless you agree to pay the difference out of pocket. We as a certified shop agreed to repair said vehicle to manufacture standards, Generic parts are not in that standard. Some lease agreements (Honda being 1 of them) says any repairs under the lease agreement must be repaired at a certified Honda Collision center.

Please Chair Takumi, Vice-Chair Ichiyama and members of the Committee, I am asking you to pass SB823-HD1 and let's update a law that is obsolete.

I want to thank you very much for taking the time to allow me to put in my testimony.

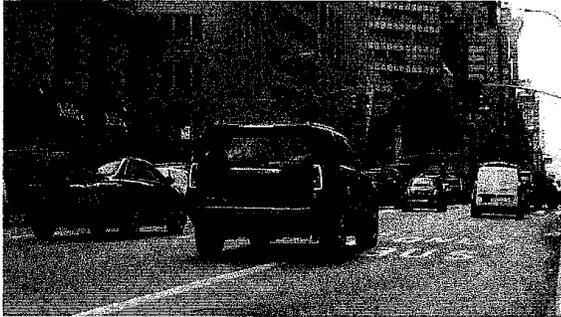
Sabrina Dela Rama  
Tony Group Collision Center  
Director of;  
Automotive Body and Paint Association of Hawai'i.

**SEE EXHIBITS BELOW OF A, B, C, C-1, D & D-1**



Status Report, Vol. 54, No. 2 | February 21, 2019

## Autobrake is good, but it could be better



When it comes to preventing typical front-to-rear crashes, automatic emergency braking is a proven winner. Extending its functionality to address less-common types of rear-end crashes involving turning, changing lanes or striking heavy trucks or motorcycles, for instance, would help maximize autobrake's benefits, a new IIHS study indicates.

Current autobrake systems are designed to address potential crash scenarios involving two passenger vehicles traveling in a line on a dry road at low speeds. The Institute's front crash prevention ratings program, which IIHS launched in 2013, assesses autobrake system performance in this kind of situation in which one vehicle is in danger of rear-ending another. Sixty-six percent of the autobrake systems IIHS has evaluated on 2019 models earn the highest rating of superior for front crash prevention, and nearly 8 percent earn an advanced rating.

Autobrake reduces the frequency of property damage liability claims by 13 percent, rates of rear-end crashes by 50 percent and rear-end crashes involving injuries by 56 percent, studies conducted by IIHS and HLDI have found. Property damage liability coverage pays for damage that an at-fault driver causes to another vehicle.

Although the reductions are impressive, there is more room for progress. IIHS estimates that autobrake could potentially prevent as many as 70 percent of front-to-rear crashes involving passenger vehicles as striking vehicles and 20 percent of all passenger vehicle crashes reported to police.

To see what types of rear-end crashes in which vehicles with autobrake are involved, IIHS researchers examined police crash-report data from 23 U.S. states during 2009–2016 for striking passenger vehicles with and without autobrake among models on which the system was optional. They controlled for driver demographics and vehicle features and used logistic regression to examine the odds that rear-end crashes with various characteristics involved a striking vehicle with autobrake. Autobrake was considered to be less effective at preventing the types of rear-end crashes that were overrepresented among vehicles with the feature and more effective at preventing crash types that were underrepresented.

"Our goal was to identify additional opportunities to increase the effectiveness of autobrake," says Jessica Cicchino, IIHS vice president for research and a study co-author. "The findings will help guide future modifications to our front crash prevention tests to take into account some of these other crash scenarios."

<https://www.iihs.org/iihs/sr/statusreport/article/54/2/2>

3/13/2019

**EXHIBIT (A)**



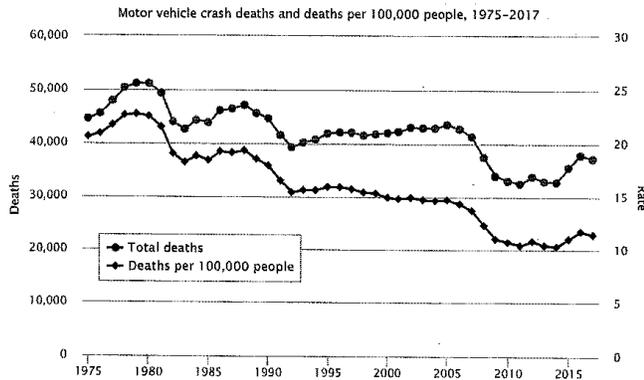
## General statistics

Crashes took 37,133 lives in the U.S. in 2017.

**The number of people killed in motor vehicle crashes has fallen over the last decade.** The death toll in 2017 was 15 percent lower than it was in 2005, when it began a sharp decline.

**Fatality rates per population and per mile traveled have dropped even more rapidly.** The crash death rate per population has fallen by nearly half since the 1970s and declined 3 percent from 2016 to 2017.

**More men than women die in motor vehicle crashes.** Men typically drive more miles than women and are more likely to engage in risky practices.



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**MONTHLY RECALL REPORT**  
**June 2018\***

[Report: P8]  
 Monthly

**RECALLED DECERTIFIED LOTS**

In cooperation with repairers, insurers, distributors, and part manufacturers, CAPA continuously monitors and reviews the quality of parts certified to meet or exceed CAPA standards. The following list includes parts that no longer meet the CAPA standards to which they were originally certified and therefore the following parts have been decertified. CAPA would like to thank you for your support in reporting non-compliance variations regardless of the significance. your assistance assures repairers and consumers they can continue to expect quality collision replacement parts when they see the CAPA seal.

Part lots are expressed in dates. Distributors holding decertified CAPA parts are entitled to a refund, replacement part or credit from the applicable Participant. They can receive one of the above (the Participant decides which) by cutting out the section of the part (a coupon) bearing the CAPA Quality Seal and submitting the coupon(s) to CAPA Headquarters with a completed Recall Reimbursement Form within ninety (90) days of public notice of decertification to CAPA at Recall Report 1000 Vermont Avenue, N.W., Suite 1010, Washington, D.C. 20005 or FAX (202) 737-2214.

**CAPA 201 STANDARD - PLASTICS**

Manufacturer Number	Application Description	Part Description	Manufacturer	Lot	OEM Number	PartsLink Number
LSB042NDQ	Lexus ES 350, 13-15, w/Parking sensors	Bumper Cover, Rear	Pro Fortune	05/16A	5215933953	LX1100161
LSB042NDQ	Lexus ES 350, 13-17, w/Parking sensors	Bumper Cover, Rear	Pro Fortune	05/16A	5215933943	LX1100161
LX2100000-010C	Lexus IS 250, 06-08, w/o pre collision; w/o headlamp washer	Bumper Cover, Front	AP-Procom	01/18A	5211953925	LX1000163
LX2100000-010C	Lexus IS 350, 06-08, w/o pre collision, w/o headlamp washer	Bumper Cover, Front	AP-Procom	01/18A	5211953925	LX1000163
MZ-04095BBQ	Mazda 6, 06-08, w/o turbo	Bumper Cover, Front	Tong Yang	06/17B	GPYA50031A	MA1000218
MZ-04095BBQ	Mazda 6, 06-08, w/o turbo	Bumper Cover, Front	Tong Yang	06/17B	GPYA50031ABB	MA1000218
Y-DSBP244CA	Nissan Versa Sedan, 12, (P)	Bumper Cover, Rear	Y.C.C.	08/16A	HEM223AN0H	NI1100284
Y-DSBP244CA	Nissan Versa Sedan, 12-16	Bumper Cover, Rear	Y.C.C.	08/16A	HEM223AN0J	NI1100284
TY-04402BBQ	Toyota Camry Hybrid, 12-14	Bumper Cover, Front	Tong Yang	01/17B	5211906974	TO1000378
TY-04402BBQ	Toyota Camry Hybrid, 12-14	Bumper Cover, Front	Tong Yang	07/17A	5211906974	TO1000378
TY-04402BBQ	Toyota Camry L/E/XLE, 12-14	Bumper Cover, Front	Tong Yang	01/17B	5211906974	TO1000378
TY-04402BBQ	Toyota Camry L/E/XLE, 12-14	Bumper Cover, Front	Tong Yang	07/17A	5211906974	TO1000378
Y-TYBP271HCA	Toyota Corolla, 09-10, (Japan)	Bumper Cover, Rear	Y.C.C.	01/18A	5215912934	TO1100268
TY-04442BBQ	Toyota RAV-4, 13-15, North America Built	Bumper Cover, Front	Tong Yang	11/17B	521190R911	TO1014101
VGB056NBQ	Volkswagen Jetta Hybrid, 13	Bumper Cover, Rear	Pro Fortune	12/16A	5C6807421GRU	VW1100189
VGB056NBQ	Volkswagen Jetta Sedan, 11-13, w/o Parking assist	Bumper Cover, Rear	Pro Fortune	12/16A	5C6807421GRU	VW1100189
VG0940000-200C	Volkswagen Passat, 12-15	Bumper Cover, Front	AP-Procom	08/17A	561807217BGRU	VW1000199
324-1102L-UC7	Lexus ES 350, 07-09, w/o HID	Headlamp Assy, L	DEPO	20170410	8117033670	LX2502134
GM1106663DSC	Chevrolet Impala, 06-16	Bar, Impact	PBSI-DS	11/17A	25865729	GM1106663
GM1106663DSC	Chevrolet Monte Carlo, 06-16	Bar, Impact	PBSI-DS	11/17A	25865729	GM1106663
FDB7081APT	Ford F250/F350 Pickup, 11-16, Paint to match	Bumper, Front	Auto Power	11/17A	BC3Z17757CPTM	FO1002417
FDB7081APT	Ford F450 Super Duty Pickup, 11-16, w/o Bumper end caps, Paint to match	Bumper, Front	Auto Power	11/17A	BC3Z17757CPTM	FO1002417

**CAPA 202 STANDARD - NON-WOVEN FABRICS**

Manufacturer Number	Application Description	Part Description	Manufacturer	Lot	OEM Number	PartsLink Number
NONE						

**CAPA 301 STANDARD - LIGHTING**

Manufacturer Number	Application Description	Part Description	Manufacturer	Lot	OEM Number	PartsLink Number
NONE						

**CAPA 501 STANDARD - BUMPER PARTS**

Manufacturer Number	Application Description	Part Description	Manufacturer	Lot	OEM Number	PartsLink Number
NONE						

**CAPA 601 STANDARD - RADIATORS**

Manufacturer Number	Application Description	Part Description	Manufacturer	Lot	OEM Number	PartsLink Number
NONE						

\*This report includes all decertifications from May 1, 2018 through May 31, 2018.

All CAPA Reports including the recall report are available on the CAPA website at [www.capacertified.org](http://www.capacertified.org).

If you would like to download this report directly from the website and wish to be removed from this distribution list, please contact CAPA at [jillian.rahal@intertek.com](mailto:jillian.rahal@intertek.com).



**MONTHLY RECALL REPORT**  
**June 2018\***

[Report: P8]  
 Monthly

**RECALLED DECERTIFIED LOTS**

In cooperation with repairers, insurers, distributors, and part manufacturers, CAPA continuously monitors and reviews the quality of parts certified to meet or exceed CAPA standards. The following list includes parts that no longer meet the CAPA standards to which they were originally certified and therefore the following parts have been decertified. CAPA would like to thank you for your support in reporting non-compliance variations regardless of the significance. your assistance assures repairers and consumers they can continue to expect quality collision replacement parts when they see the CAPA seal.

Part lots are expressed in dates. Distributors holding decertified CAPA parts are entitled to a refund, replacement part or credit from the applicable Participant. They can receive one of the above (the Participant decides which) by cutting out the section of the part (a coupon) bearing the CAPA Quality Seal and submitting the coupon(s) to CAPA Headquarters with a completed Recall Reimbursement Form within ninety (90) days of public notice of decertification to CAPA at Recall Report 1000 Vermont Avenue, N.W., Suite 1010, Washington, D.C. 20005 or FAX (202) 737-2214.

**CAPA 101 STANDARD - METALS**

Manufacturer Number	Application Description	Part Description	Manufacturer	Lot	OEM Number	PartsLink Number
HD-20053AQ	Acura TL, 04-08	Hood	Tong Yang	03/18A	60100SEPA90ZZ	AC1230112
S0807H000AS	Acura TL, 04-08	Hood	Jui Li	03/18A	60100SEPA90ZZ	AC1230112
CVQN10FL1	Chevrolet Equinox, 10-11	Fender L	Gordon	10/17A	20859528	GM1240364
CVQN10FL1	Chevrolet Equinox, 10-17	Fender L	Gordon	10/17A	22846917	GM1240364
FD-03031AQ	Ford Focus Sedan/Hatchback, 12-14	Radiator Support	Tong Yang	11/17B	CP928A284A	FO1225214
FD-03031AQ	Ford Focus Sedan/Hatchback, 12-16	Radiator Support	Tong Yang	11/17B	CM5Z8A284A	FO1225214
FD-03031AQ	Ford Focus, 14-18	Radiator Support	Tong Yang	11/17B	CM5Z8A284ACP	FO1225214
FD-03031AQ	Ford Focus, 14-18, Hybrid	Radiator Support	Tong Yang	11/17B	CM5Z8A284ACP	FO1225214
HDCV12FR1	Honda Civic Coupe, 12-13	Fender R	Gordon	05/17A	60211TR6305ZZ	HO1241181
HDCV12FR1	Honda Civic Hybrid, 12-14	Fender R	Gordon	05/17A	60211TR6305ZZ	HO1241181
HDCV12FR1	Honda Civic Sedan, 12-15	Fender R	Gordon	05/17A	60211TR6305ZZ	HO1241181
HDCV12FR1	Honda Civic, 12-13	Fender R	Gordon	05/17A	60211TR6305ZZ	HO1241181
HDCV12FR1	Honda Civic, 12-14	Fender R	Gordon	05/17A	60211TR6999ZZ	HO1241181
KA5510150-000C	Kia Sorento, 11-15	Hood	AP	01/18A	664001U000	KI1230126

**CAPA 201 STANDARD - PLASTICS**

Manufacturer Number	Application Description	Part Description	Manufacturer	Lot	OEM Number	PartsLink Number
Y-GMBP339CA	Chevrolet Avalanche, 07-11, w/off road pkg	Bumper Cover, Front	Y.C.C.	01/18A	15946214	GM1000830
Y-GMBP339CA	Chevrolet Avalanche, 07-13, w/off road pkg	Bumper Cover, Front	Y.C.C.	01/18A	25830185	GM1000830
GMCIMPA-R06NEW	Chevrolet Impala LS/LT, 06-11	Bumper Cover, Rear	Micro Rim	C3817	19120960	GM1100735
GMCIMPA-R06NEW	Chevrolet Impala, 08, 50th Anniversary	Bumper Cover, Rear	Micro Rim	C3817	19120960	GM1100735
Y-GMBP339CA	Chevrolet Suburban, 07-10	Bumper Cover, Front	Y.C.C.	01/18A	15946214	GM1000830
Y-GMBP339CA	Chevrolet Suburban, 07-14	Bumper Cover, Front	Y.C.C.	01/18A	25830185	GM1000830
Y-GMBP339CA	Chevrolet Tahoe, 07-11, w/off-road pkg	Bumper Cover, Front	Y.C.C.	01/18A	15946214	GM1000830
Y-GMBP339CA	Chevrolet Tahoe, 07-14, w/off-road pkg	Bumper Cover, Front	Y.C.C.	01/18A	25830185	GM1000830
CV-04247BBQ	Chevrolet Traverse, 13-14	Bumper Cover, Front Upper	Tong Yang	09/17A	22899627	GM1014107
CV-04247BBQ	Chevrolet Traverse, 13-17	Bumper Cover, Front Upper	Tong Yang	09/17A	23328140	GM1014107
CR29-9915-WSH	Chrysler 300 Sedan, 11-12, w/Parking Sensor	Bumper Cover, Front	Tran Hung	04/17A	68127939AA	CH1000A01
CR29-9915-WSH	Chrysler 300 Sedan, 11-12, w/Parking Sensor	Bumper Cover, Front	Tran Hung	04/17A	68127939AD	CH1000A01
CR29-9915-WSH	Chrysler 300 Sedan, 11-14, w/Parking Sensor	Bumper Cover, Front	Tran Hung	04/17A	68127939AE	CH1000A01
DG-04141BBQ	Dodge Challenger, 11-14	Bumper Cover, Front	Tong Yang	11/17A	68109836AB	CH1000994
Y-CRBP029PGC	Dodge Dakota, 01, (USA) paint to match, w/o R/T, w/fog	Bumper Cover, Front	Y.C.C.	01/18A	5073221AA	CH1000925
Y-CRBP029PGC	Dodge Dakota, 03-04, paint to match, w/Fog Lamps	Bumper Cover, Front	Y.C.C.	01/18A	5073221AA	CH1000925
Y-CRBP029PGC	Dodge Durango, 03, w/fog lamps	Bumper Cover, Front	Y.C.C.	01/18A	5073221AA	CH1000925
FD-07223GAQ	Ford Excursion, 05, Chrome	Grille	Tong Yang	12/16A	5C3Z8200BAA	FO1200456
FD-07223GAQ	Ford Excursion, 05, Chrome	Grille	Tong Yang	12/16A	6C3Z8200BC	FO1200456
FD-07223GAQ	Ford F-Series Super Duty XLT/Lariat/Outlaw Pickup, 05, w/o Chrome Pkg	Grille	Tong Yang	12/16A	5C3Z8200BAA	FO1200456
FD-07223GAQ	Ford F-Series Super Duty XLT/Lariat/Outlaw Pickup, 05, w/o Chrome Pkg	Grille	Tong Yang	12/16A	6C3Z8200BC	FO1200456
FD-07363GAQ	Ford Taurus, 13-16	Grille, Outer	Tong Yang	08/17A	DG1Z8200SA	FO1202104
HDB083NBQ	Honda Civic Hybrid, 06-08	Bumper Cover, Front	Pro Fortune	01/18A	04711SNEA90ZZ	HO1000239
HDB083NBQ	Honda Civic Sedan, 06-08, 1.8L eng	Bumper Cover, Front	Pro Fortune	01/18A	04711SNEA90ZZ	HO1000239
Y-HDBP214CA	Honda Civic Sedan/Coupe, 16-18	Bumper Cover, Front	Y.C.C.	01/18A	04711TBAA00ZZ	HO1000306
Y-HYBP031CA	Hyundai Elantra Sedan, 14-15, Korea built	Bumper Cover, Rear	Y.C.C.	01/18A	866113X700	HY1100202
Y-HYGR017CPC	Hyundai Sonata, 11-12	Grille	Y.C.C.	07/17A	863503S100	HY1200154
IFB002NDQ	Infiniti FX35, 09-13, w/o Premium pkg	Bumper Cover, Rear	Pro Fortune	10/16A	HEM221CA0H	IN1100134
IFB002NDQ	Infiniti FX37, 09-13, w/o Premium pkg	Bumper Cover, Rear	Pro Fortune	10/16A	HEM221CA0H	IN1100134
IFB002NDQ	Infiniti QX70, 14, w/o Parking sensors	Bumper Cover, Rear	Pro Fortune	10/16A	HEM221CA0H	IN1100134
KA-04014BBQ	Kia Sportage, 05-07, w/Luxury Pkg.	Bumper Cover, Front	Tong Yang	10/17A	865111F001	KI1000130

20180601MD

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**EXHIBIT (C-1)**

**GEICO**

Visit us online at WWW.GEICO.COM  
Request a supplement at partners.geico.com

711 Kapiolani Blvd. Ste 300  
Honolulu, HI 96813  
Phone: (808) 341-9245  
Fax: (866) 410-1305

Claim #: 12-01  
Workfile ID: 771fd314

**Estimate of Record**

Written By: LON RECAMARA, 2/13/2019 8:14:27 PM  
Adjuster: RECAMARA, LON, (808) 341-9245 Business

Insured: ..... Owner Policy #: ..... Claim #: .....01012-01  
Type of Loss: Collision Date of Loss: 02/11/2019 12:17 PM Days to Repair: 15  
Point of Impact: 01 Right Front Deductible: 500.00

**Owner (Insured):** ..... **Inspection Location:** ..... **Appraiser Information:** ..... **Repair Facility:** .....  
..... 94 ..... WAIPAHU, HI 96797

**VEHICLE**

2014 NISS Rogue SL FWD 4D UTV 4-2.5L Gasoline Sequential MPI black

VIN: ..... :095003 ..... Production Date: ..... Interior Color: .....

2014 NISS Rogue SL FWD 4D UTV 4-2.5L Gasoline Sequential MPI black

Line	Oper	Description	Qty	Extended Price \$	Labor	Paint
<b>1 FRONT BUMPER &amp; GRILLE</b>						
2	R&I	R&I bumper cover			2.1	
3	*	Rpr Bumper cover			1.0	2.6
4		Add for Clear Coat				1.0
5	R&I	RT Hole cover w/fog lamps			0.2	
6	R&I	LT Hole cover w/fog lamps			0.2	
7	R&I	Trim molding			0.1	
8	R&I	Lower grille			0.2	
9	R&I	License bracket			0.2	
<b>10 FRONT LAMPS</b>						
11	R&I	RT Headlamp assy			0.3	
12	R&I	LT Headlamp assy			0.3	
<b>13 HOOD</b>						
14	*	Rpr Hood (ALU)			0.5	2.0
15		Add for Clear Coat				0.8
<b>16 FENDER</b>						
17	**	Repl A/M CAPA RT Fender	1	238.00	2.0	2.2
18		Overlap Major Adj. Panel				-0.4
19		Add for Clear Coat				0.4

2014 NISS Rogue SL FWD 4D UTV 4-2.5L Gasoline Sequential MPI black

**ALTERNATE PARTS SUPPLIERS**

Line	Supplier	Description	Price
17	Prism Group LLC Customer Service 1038-B Kikowaena Place Honolulu HI 96819 (808) 833-4200	#NI1241212C A/M CAPA RT Fender	\$ 238.00

**EHIBIT (D)**

 Add a vehicle 

Search for parts 

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[VIEW MORE FENDERS](#)

**Keystone Collision** Front Driver Side Fender, Made Of Steel

**\$47.99**

★ ★ ★ ★ ★ No Reviews

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**Want 25% Off?**  
**Unlock →**



**EXHIBIT (D-1)**

**Parts Geek** the Dealer Alternative Discount Auto Parts and Accessories SELLING PARTS ONLINE SINCE 2008 Buy With Confidence

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Search   Search Make/Model

Back - [2014](#) > [Nissan](#) > [Rogue](#) > [Body Mechanical & Trim](#) > [Fender](#)

## 2014 Nissan Rogue Fender

[Review Fitment Notes to Ensure Proper Fit](#)

Search by Part Name...

**Related Parts**

- [Accelerator Pedal Sensor](#)
- [Bicycle Rack](#)
- [Bug Shield](#)
- [Bumper Absorber](#)
- [Bumper Cover](#)
- [Bumper Cover Bracket](#)
- [Bumper Cover Molding](#)
- [Bumper Cover Reflector](#)
- [Bumper Cover Reinforcement](#)
- [Bumper Cover Retainer](#)
- [Bumper Cover Shield](#)
- [Bumper Grille](#)
- [Bumper Molding](#)
- [Bumper Reinforcement](#)
- [Bumper Reinforcement Bracket](#)
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- [Door Lock Actuator](#)
- [Door Mirror Glass](#)
- [Door Shell](#)
- [Engine Cover Clip](#)
- [Engine Splash Shield Hardware](#)
- Fender**
- [Fender Brace](#)
- [Fender Flares](#)
- [Floor Mat Set](#)
- [Floor Mats](#)
- [Fog Light Bezel](#)
- [Fog Light Cover](#)



**Action Crash Fender - Front Left - Driver Side; Premium**  
**Part Number:** 128080-04156924  
**Notes:** DRIVER SIDE FRONT FENDER  
**Position:** Front Left - Driver Side  
**Quality: Premium** - High quality new replacement part.  
**Condition:** New

**Shipping Options:**  
Ships by Truck

Product List Price: ~~\$367.49~~  
**Our List Price:** **\$64.98**

Quantity:

**(35) In Stock**

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PartsGeek.com  
  
[\(Read reviews\)](#)

**• Oversized Item** - Customer must inspect all parts upon delivery. If an item is damaged refuse only the item that is damaged and contact us immediately.

▶ This Part Fits:		Catalog: D
Vehicle	Notes	
2014 Nissan Rogue	DRIVER SIDE FRONT FENDER	



**Action Crash Fender - Left - Driver Side; Capa Certified**  
**Part Number:** 128080-04247670  
**Notes:** FRONT DRIVER SIDE FENDER; MADE OF STEEL  
**Position:** Left - Driver Side  
**Quality: Capa Certified** - Ensures the part fits, performs, and lasts the same as the original.  
**Condition:** New

**Shipping Options:**  
Ships by Truck

Product List Price: ~~\$367.49~~  
**Our List Price:** **\$80.98**

Quantity:

**(99) In Stock**

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PartsGeek.com  
  
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**EXHIBIT (D-1)**

**14 2014 Nissan Rogue Fender Front Left - Driver Side  
Action Crash**



PartsGeek.com

[Click to Enlarge](#)



[\(Read reviews\)](#)

Product List Price:

\$367.49

**Our List Price:**

**\$72.98**

Info

**Product SKU:** NI1240212C

**Product Note:** DRIVER SIDE FRONT FENDER

**Position of Product:** Front Left - Driver Side

**Condition:** New

**Quality:** Capa Certified Ensures the part fits, performs, and lasts the same as the original.

**Shipping Options:**

Ground

► **Fitment Information:**

**Catalog: D**

**Vehicle**

**Notes**

2014 (14) Nissan Rogue

DRIVER SIDE FRONT FENDER

**EXHIBIT (D-1)**



To: The Honorable Roy Takumi, Chair  
The Honorable Linda Ichiyama, Vice Chair  
House Committee on Consumer Protection & Commerce

From: Mark Sektnan, Vice President

Re: **SB 823 SD1 HD1 – Motor Vehicle Repairs**  
**APCIA Position: Comment with concerns**

Date: Tuesday, March 19, 2019  
2:00 p.m., Room 329

Aloha Chair Takumi, Vice Chair Ichiyama and Members of the Committee:

The American Property Casualty Insurance Association (APCIA) is opposed to SB 823 SD1 HD1 which could inappropriately limit the use of non-original equipment manufacturer (OEM) parts. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

APCIA strongly supports legislation to ensure that autos are appropriately repaired after an accident. Existing state law requires insurers to guaranty the crash part for the life of the motor vehicle and to ensure the part is of like kind and quality to the OEM part. Consumers are well served by this protection. Bills that foster the false narrative that OEM parts are the only parts consumers should use chip away at existing consumer protections and could lead to increases in auto insurance rates.

Most, if not all OEMs recommend exclusive use of their parts for the simple reason that OEM parts can cost up to 60 percent more than equivalent like kind and quality parts. This bill effectively requires OEM parts to be used on every repair, which could significantly increase the repair costs that are ultimately reflected in what consumers pay for auto insurance. Current law strikes an appropriate balance. Consumers who want to pay the additional cost of an OEM part can do so and the additional cost is not passed on to all of the state's auto insurance policyholders.

#### OEM Parts Cost More than Aftermarket Parts without added value

Non-OEM parts are quite common throughout the repair industry, are tested and verified to meet OEM standards and help keep repair costs down, which in-turn helps keep auto insurance more affordable. In fact, many non-OEM parts are often made by the same manufacturers that make OEM parts. *Greater access to high quality generic replacement*

*parts help consumers by* increasing competition and lowering prices and usually provide lifetime warranties, far more than the warranties of many original equipment manufacturers.

Consumer advocates support competition for repair parts. In support of federal legislation to protect the competitive marketplace for repair parts, leading consumer group had this to say:

[CFA: Consumer Federation of America](#)

“The lack of competition for repair parts will result in high repair costs and more vehicles being ‘totaled’ because the price of repairing the damage exceeds the value of the vehicle. High repair costs will lead to higher insurance premiums. Furthermore, when faced with expensive repairs and a limited budget, consumers may simply not be able to replace their head light or a broken side mirror, items essential for safe driving.”

[Advocates for Highway and Auto Safety](#)

“The bottom line: If automakers succeed in eliminating competition, the cost to the consumer would be profound.”

In the last decade, in an effort to further block competition for replacement parts, the auto industry has exploited the U.S. patent system by using design patents to restrict competition for replacement parts – at the expense of consumers and businesses. Every year, tens of thousands of vehicles and light trucks are repaired with non-OEM parts.

Today, the Hawaii market is dynamic in the way different insurers handle repairs of motor vehicles. This is good for the consumer because they are able to purchase the type of insurance that fits their personal situation. Insurers sometimes use aftermarket parts in repairs because they cost less while providing the same quality. Savings resulting from this practice have been passed on to consumers over many years with no impact on safety in Hawaii.

For these reasons, APCIA has strong concerns with the previous drafts of this bill and would prefer the committee study the issue before amending the statute.

Testimony from Brandon Okahara, Vice President Oka's Auto Body  
On behalf of the Automotive Auto Body and Painting Association of Hawaii

In Support of SB823 SD1 HD1 – Relating to Motor Vehicle Repairs

Committee on Commerce, Consumer Protection, and Health

March 18th, 2019

Aloha Chair Takumi, Vice Chair Ichiyama, and fellow members of the Consumer Protection Committee. My name is Brandon Okahara and I am the co-owner and Vice President of Oka's Auto Body. My father Eddie and his brothers Fred and Henry started the business in 1965 and we've been proudly serving the Leeward Community for 54 years. My parents and uncles have since retired, and my brother, sister, and I have been carrying on their legacy ever since.

I am here to submit my testimony in strong support of Senate Bill SB823 SD1 HD1. When it comes to repairing a vehicle back to manufacturer's specifications, using OEM recommended/required procedures and restoring a vehicles crash worthiness, not all crash parts are created equal. The operative word that we would like to stress is "crash" parts. We are not here to suggest banning or getting rid of aftermarket parts as a whole. With today's complex safety systems, vehicles are designed, tested, crashed and then data is collected to confirm how the system reacted. These tests are replicated time and time again to get the best possible results, utilizing the same genuine parts. Introducing a generic part into the equation can add up to disastrous results if there is even a slight difference in composition, strength, or make up. Because of the complexity of today's vehicles, features such as rear cross traffic alert, automatic collision avoidance, and lane departure rely on consistent, accurate, information to be collected by the vehicle in order to react properly to do its job and save lives. If an aftermarket crash part (let's say a bumper cover) is not the same thickness and density of the original bumper, the radar sensors may not read correctly how far another vehicle is before applying the brakes. Many times, it's a matter of milliseconds, but that can be the difference between proper brake application to avoid impact or possibly airbag timing to save a humans life.

With that being said, we feel that should senate bill SB823 SD1 HD1 take effect, it will also be beneficial to the consumer in giving them the right to choose. Hawaii is the only one of 50 states that requires the claimant (party not at fault) to pay the difference between the cost of the aftermarket crash part versus the genuine crash part. We suggest that the word claimant be removed from the current section because it leaves the door open for legal action by the claimant against the insured. The not at fault party should not have to pay any additional

expense to have genuine crash parts installed on their vehicle as a result of a covered loss, if they so choose.

I appreciate the opportunity to submit testimony in support of SB823 SD1 HD1 a consumer protection bill.

Aloha, Brandon Okahara

Vice President and Co-owner, Oka's Auto Body

94-173 Leokane St, Waipahu, HI, 96797



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER ALASKA & HAWAII  
711 Kapiolani Blvd., Suite 300 ■ Honolulu, HI 96813-5238 ■ Email: [tdayton@geico.com](mailto:tdayton@geico.com)  
Direct: (808) 593-1875 ■ FAX (808) 593-1876 ■ Cell: (808) 341-9252

**House Committee on Consumer Protection and Commerce**  
Room 329 State Capitol  
Tuesday, March 19, 2019 2:00 pm

**SB 823- Relating to Motor Vehicle Repairs.**

Chair Takumi and Members of the Committee:

My name is Timothy M. Dayton, General Manager of GEICO. GEICO is Hawaii's largest auto insurer. **GEICO offers comment on Senate Bill Number 823.** Senate Bill 823 would require insurers to provide a choice to insured consumers of authorizing a repair provider to utilize a like kind and quality crash part or the original equipment manufacturer (OEM) crash part.

GEICO is supportive of the amendment to the bill that requires the legislative reference bureau to conduct a study. However, we would like to comment that the study should also be conducted to include the impact on cost and availability of aftermarket parts if Hawaii law requires insurers to offer both OEM and non-OEM parts to customers.

GEICO appreciates the opportunity to present its testimony and your consideration of this testimony. **We respectfully urge the Committee to amend the bill so that the study includes the impact on cost and availability of aftermarket parts if Hawaii law requires insurers to offer both OEM and non-OEM parts to customers.**

Sincerely,

Timothy M. Dayton, CPCU



March 19, 2019

The Honorable Roy Takumi  
House Committee on Consumer Protection and Commerce  
415 S Beretania Sreet  
Honolulu, HI 96813

## **LKQ Opposes Senate Bill 823**

Dear Committee Chair Takumi and Committee Members:

As a Government Affairs Representative for LKQ Corporation, I am greatly concerned with SB 823, governing the use of automotive crash parts in Hawaii. When broadly interpreted, SB 823 seeks to restrict the use of non-OEM alternative parts by promoting the wrongful presumption that they are unsafe and inferior compared to OEM parts.

The bill creates a bias against the use of non-OEM parts and calls into question the integrity of the alternative parts industry as a whole. Statements against of alternative parts are highly misleading and may persuade consumers to believe that non-OEM parts are inferior to their more expensive OEM counterparts, all in an effort to secure a monopoly.

Non-OEM parts benefit consumers by providing a more affordable alternative to OEM parts for vehicle repairs. Importantly, they create competition which, in turn, drives down the cost of OEM parts. In all respects, greater competition, lower costs, and lower insurance premiums are all direct benefits from the free use of like kind and quality alternative parts in automobile repairs.

Furthermore, LKQ firmly believes that consumers should have the right to know the type of parts that are being used to repair their vehicle. This information should be delivered to the consumers in a fair and balanced manner.

LKQ Corporation is a leading provider of alternative and specialty parts to repair and accessorize automobiles and other vehicles. LKQ offers its customers a broad range of replacement systems, components, equipment and parts for automobiles, trucks, and recreational and performance vehicles. Globally, LKQ has an industry leading team of over 43,000 employees operating in 25 countries at more than 1,500 facilities.

We appreciate the opportunity to submit our written comments and respectfully express our **OPPOSITION** to SB 823. **We urgently ask you to vote NO on SB 823 and allow non-OEM alternative auto parts to continue to service consumers in Hawaii while maintaining consumer choice and open competition in the automotive industry.**

Please do not hesitate to contact me if you have any questions, comments or input. I can be reached at ebenezersdg@outlook.com and 754-248-9796.

Respectfully,

Catalina Jelkh Pareja  
Government Affairs Representative