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# House of Representatives

COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

September 17, 1999

**EMBARGOED MATERIAL**

Original: 2001

Harbison

cc:

All Commissioners

Nyce

Smith

Wilmarth

Sandusky

Legal

Robert Nyce, Executive Director  
Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harristown 2  
Harrisburg, PA 17101

Dear Mr. Nyce:

I am writing concerning the Insurance Department's proposed regulations for Title 31, Part VII, Chapter 62, Motor Vehicle Physical Damage Appraisers. I ask that this letter be considered as part of the public comment.

I believe there are problems with the proposed regulations and therefore they should not receive IRRC approval. It appears to me that the aforementioned regulations are on a fast track. I urge that we move more slowly and cautiously to ensure that the consumer receives adequate protection under these regulations.

I will briefly address several areas of concern:

**A. Definition of "Predamaged Condition."**

Prior to the proposed changes to this regulation, the standard for auto repair was to return the vehicle to its "condition prior to loss." It has been suggested that the new standard of "Predamaged Condition" defined as "function and appearance" prior to the damage, will pave the way for insurers to demand greater use of aftermarket parts. Regardless of whether this will in fact occur, I am not aware of any compelling reason given by the Insurance Department for changing the standard. Since there apparently was no problem with the original standard, reverting to "condition prior to loss" should satisfy parties on both sides of this debate.

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**B. Warranty of After Market Parts**

Section 62.3(b)(10) of the proposed regulation, establishes a warranty for an aftermarket crash part if the use of the part voids the existing manufacturers warranty. This sounds like a consumer protection, however, no one has been able to explain how the warranty requirement will work. It is not clear who is required to warrant and stand behind the aftermarket part. This regulation should be sent back to the Insurance Department for further clarification on this issue.

**C. Dispute Resolution**

The original version of the proposed regulation required disclosure of dispute resolution through invocation of the appraisal clause in the insurance contract. This was found in § 62.3(b)(5). This may have been removed from the final draft because not all policies contain this provision. I believe this is a valuable and vital notification to the consumer. The wording could be altered to clarify the point that some policies may not contain a dispute resolution clause.

There are other issues surrounding the proposed regulations which I will not discuss at this point. I believe the above referenced issues dictate that this regulation be sent back to the Insurance Department for further review prior to final approval.

Thank you for your consideration of the points raised in this letter.

Very truly yours,



Curt Schroder, Member  
155<sup>th</sup> Legislative District

CS/rm

cc: Steve Behrmdt  
Honorable Nicholas Micozzie

Nyce-MVPDA Concerns ltr