



November 9, 2010

The Honorable Ruth Teichman
c/o National Conference of Insurance Legislators
385 Jordan Road
Troy, New York 12180

Re: Proposed Model Act Regarding Motor Vehicle Crash Parts and Repair

Dear Senator Teichman:

On behalf of Allstate Insurance Company (Allstate) and State Farm Mutual Automobile Insurance Company (State Farm), allow us to provide comments on the proposed Model Act Regarding Motor Vehicle Crash Parts and Repair and in support of the amendment to the proposed model sponsored by Rep. George Keiser (Model).

It is indisputable that shops and consumers want and will use competitive crash parts. The states that have addressed the use of competitive crash parts have for a long time recognized the value such parts bring to the market place and ensure that at the end of the day, it is the customer's choice that matters. The proposed model, as amended, furthers sound public policy and would provide a strong platform for those states either facing this issue for the first time or revisiting it.

The model as currently proposed with Rep. Keiser's amendment is sound public policy in our view because it:

- 1) provides the consumer with sufficient notice of the type of parts that may be and has been used to repair his vehicle;
- 2) recognizes that certain aftermarket parts meet production and warranty standards of the original manufacturer; and
- 3) ensures that the consumer retains the choice over how his vehicle is repaired.

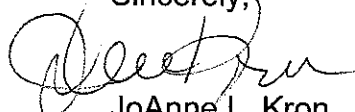
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Allstate and State Farm opposed the model as originally proposed because, as noted above, many states have addressed the issue of the appropriate use of competitive crash parts. In addition, the current proposed Model addressed one of the most egregious provisions by deleting the so-called "anti-steering" provision. That language was subject to constitutional attack and only served to limit consumer choice and information.

Now, based upon the amendment offered by Rep. Keiser, Allstate and State Farm are pleased to support the Model with the amendment and believe it would be a valuable resource to states.

We thank you for your efforts in recognizing that consumers are served by choice and by meaningful information to assist them in making such choices. Consumers are served by the disclosures contemplated by the Model and by the opportunity to choose from a variety of products that can meet their needs. To that end, we urge to the Committee to adopt the proposed Model Act Regarding Motor Vehicle Crash Parts and Repair and the amendment to the proposed Model sponsored by Rep. George Keiser.

Sincerely,



JoAnne L. Kron
Counsel
Allstate Insurance Company



John Ashenfelter
Associate General Counsel
State Farm Mutual Automobile Insurance Company

Copy to: Rep. George Keiser
Ms. Candace Thorsen