



# Illinois Department of Insurance

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**BRUCE RAUNER**  
Governor

**Jennifer Hammer**  
Director

June 27, 2018

Aaron Schulenburg  
Society of Collision Repair Specialists  
P.O. Box 909  
Prosser, WA 99350

Dear Mr. Schulenburg:

I've been asked to respond to your inquiries regarding our Department and how it handles repair procedures provided by an OEM. I will address each of the questions outlined in your letter.

- 1.) The Illinois Department of Insurance is charged with consumer protection and is the regulatory agency that governs the insurance practices of carriers licensed to do business in our state.
- 2.) Claims settlement practices are a part of our regulatory oversight.
- 3.) Some of our rules and regulations regarding claims practices can be viewed at the following link:

<http://www.ilga.gov/commission/jcar/admincode/050/05000919sections.html>

You will find the term "reasonable" within some of these rules.

I'm including the next two paragraphs because this the only information that I can find that addresses anything of an OEM-nature.

Section 919.80 d.) 5.) addresses replacement crash parts. The State of Illinois requires insurers and body shops to disclose to consumers the use of aftermarket auto parts, often referred to as Non-Original Equipment Manufacturer (Non-OEM) parts. Non-OEM parts must be "of like kind and quality" to OEM parts.

Insureds in Illinois have the right to choose which parts will be used to fix their vehicle. However, they should be aware that there may be a difference in cost between the parts they choose and the parts specified by their insurance company. If they choose OEM parts from GM or Ford, for example, and those parts are more expensive than non-OEM parts of like kind and quality, they may have to pay the difference in cost.

- 4.) There is no statute in Illinois that requires insurers and insurance policies sold in Illinois to recognize manufacturer documented procedures as a basis for settling claims and loss indemnification.

5.) Our Department would consider it a “reasonable” expectation that if an OEM repair procedure or instruction existed, the claim should cover the associated costs. However, there is nothing currently written in the statutes that require an insurance carrier to cover those costs.

6.) In regards to documented OEM procedures, if an insurance carrier decides to adopt those procedures and there are associated costs that would not be covered, our Department would expect that carrier to include language in the policy that states that there is no coverage for those costs.

7.) Yes. Our department requires that insurance companies restore damaged vehicles back to pre-loss condition. If there is a dispute between the consumer and the insurance carrier, our department would be the correct one to address those issues. Consumers can submit a complaint to our department at our website at [illinois.insurance.gov](http://illinois.insurance.gov)

If you have any further questions, please let me.

Sincerely,

A handwritten signature in black ink that reads "Ian Shapiro". The signature is written in a cursive, slightly slanted style.

Ian Shapiro

Insurance Analyst

Consumer Services

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