
From: Karen Wallace [KID] [<mailto:Karen.Wallace@ks.gov>]

Sent: Monday, July 09, 2018 12:09 PM

To: Linda Atkins

Subject: Case 73808 RE: Society of Collision Repair Specialists Requests Your Response

Ms. Atkins:

Below are our responses to the questions from the Society of Collision Repair Specialist.

Questions:

1 - Yes

2 - Yes

3 - No question on this one.

4 - No statute or regulation that addresses the extent to which insurers must comply with manufacturer's repair guidelines or recommendations.

5 - In accordance with Kansas law (K.S.A. 50-660 thru 50-664) insurers may pay a vehicle repair claim based on the cost of aftermarket parts. This department would only object to the use of aftermarket parts if it is shown that they will not fit or function as well as the OEM part. The consumer has the right to insist on the OEM part if they are willing to pay the additional cost between the OEM and aftermarket part. A consumer has the right to insist on an OEM part with no additional expense if the claim arises in the same year that the car was manufactured.

6 - Some policies have provisions that address the use of aftermarket parts however; Kansas law does not require the policy to address it. In accordance with Kansas law K.S.A. 50-662 an insured's repair estimate must disclose that the repair estimate has been prepared based on the use of one or more aftermarket parts.

7 - Yes. a. The consumer would need to file a complaint with our office so the situation could be investigated. Our complaint form is available online at <http://www.ksinsurance.org/departments/complaint.php>

Sincerely,

Karen

Karen Wallace

Consumer Assistance Representative

Kansas Insurance Department

420 SW 9th St., Topeka, KS 66612

[Facebook](#) | [Twitter](#) | www.ksinsurance.org

785.296.7829 | Fax 785.296.5806

kid.webcomplaints@ks.gov

KS

Linda Atkins

From: Aaron Schulenburg
Sent: Wednesday, July 18, 2018 1:42 PM
To: Linda Atkins
Subject: FW: KANSAS Case 73808 RE: Society of Collision Repair Specialists Requests Your Response

Follow up communication

Aaron Schulenburg

Executive Director | Society of Collision Repair Specialists (SCRS)

302.423.3537
877.435.6028 Fax
aaron@scrs.com

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From: Karen Wallace [KID] [<mailto:Karen.Wallace@ks.gov>]
Sent: Wednesday, July 18, 2018 4:41 PM
To: Aaron Schulenburg
Subject: RE: KANSAS Case 73808 RE: Society of Collision Repair Specialists Requests Your Response

Mr. Schulenburg:

A consumer should expect that the insurer will pay the cost necessary to restore the vehicle to its pre-loss condition. What is necessary will vary from claim to claim and if a consumer believes that the insurer is denying a necessary cost without justification, the consumer may file a complaint with our office for investigation and possible assistance in accordance with Kansas claim settlement practices laws.

Sincerely,

Karen

Karen Wallace

Consumer Assistance Representative

Kansas Insurance Department

420 SW 9th St., Topeka, KS 66612

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From: Aaron Schulenburg <aaron@scrs.com>

Sent: Monday, July 16, 2018 2:37 PM

To: Karen Wallace [KID] <Karen.Wallace@ks.gov>

Cc: Linda Atkins <info@scrs.com>

Subject: RE: KANSAS Case 73808 RE: Society of Collision Repair Specialists Requests Your Response

Ms. Wallace,

Thank you for the response. We will review and reply back if there are further questions; but I do have one if you don't mind.

You were clear that the Kansas statutes don't contain language that requires how a vehicle must be repaired. I suspect this is because repairing a vehicle is outside the business of insurance. But you did state that consumers could file a complaint with your division through an online complaint form.

An example I might use for the sake of conversation is that General Motors states:

General Motors takes the position that all vehicles being assessed for collision damage repairs must be tested for Diagnostic Trouble Codes (DTCs) during the repair estimation in order to identify the required repairs. Additionally, the vehicle must be retested after all repairs are complete in order to verify that the faults have been repaired and new faults have not been introduced during the course of repairs.

Even minor body damage or glass replacement may result in damage to one or more safety-related systems on the vehicle.

What we are trying to identify is the course of action for a consumer if an insurer declines to cover a necessary function like this in claim. If the collision repairer knew the above position exists, disregards it, and the vehicle is involved in a subsequent loss where the ADAS safety systems fail as a result of the decision, the collision repairer (and their garage insurer) would face tremendous liability.

If the statute in your state does not address how a vehicle must be repaired, can a consumer reasonable assume their policy would cover the proper repair as outline and documented by the OEM? Or is there a gap between what they should expect of their policy coverage, and what they should expect from their repairer to perform a safe and proper repair?

Aaron Schulenburg

Executive Director | Society of Collision Repair Specialists (SCRS)

302.423.3537