1. From time to time, NAIC consumer representatives bring issues to the NAIC/Consumer Liaison Committee during NAIC national meetings.

2. If a consumer representative is requesting specific action by the NAIC, an “NAIC Consumer Liaison Representative Recommendation to the NAIC Executive (EX) Committee” request form with the specific action noted should be submitted to the NAIC. This request form should also be included as part of the presentation slides and handouts provided to the NAIC/Consumer Liaison Committee within thirty (30) days, or as soon as practical, after the presentation. (request form attached)

3. All requests will be provided to the Consumer Board of Trustees by the NAIC staff support for the NAIC/Consumer Liaison Committee. The Consumer Board of Trustees will review the requests for informational purposes and will serve as a central point for the tracking and communication of requests within the NAIC.

4. The NAIC staff support for the NAIC/Consumer Liaison Committee will coordinate with the NAIC staff support for the appropriate referral committee to obtain its feedback on the request.

5. The NAIC staff support for the NAIC/Consumer Liaison Committee will provide this feedback to the chair of the Consumer Board of Trustees and the chair of the NAIC/Consumer Liaison Committee within thirty (30) days, or as soon as practical, after receiving the consumer representative request during an NAIC national meeting.

6. The chair of the NAIC/Consumer Liaison Committee and the chair of the Consumer Board of Trustees will review the feedback and provide input to the NAIC Executive (EX) Committee, as may be appropriate.

7. For any request for an amended or new charge, no further action will be taken unless an amended or new charge is adopted by the NAIC Executive (EX) Committee and Plenary. The NAIC (EX) Executive Committee may pursue any action consistent with the NAIC Bylaws.

8. An update on the status of the NAIC consumer representatives’ requests will be posted on the NAIC website and provided at each NAIC national meeting during the NAIC/Consumer Liaison Committee meeting and the Consumer Board of Trustees’ meeting.

Advisory Note

NAIC committees generally adopt their annual charges during the NAIC Fall National Meeting.

The NAIC membership generally adopts its annual charges and sets the priorities for the year during or shortly after the NAIC Commissioners Conference in February.
Consumer representatives are encouraged to work within the normal committee process of the NAIC for the development and adoption of charges each year.
NAIC CONSUMER LIAISON

REPRESENTATIVE RECOMMENDATION

TO THE NAIC EXECUTIVE (EX) COMMITTEE

(Please submit completed request form to Lois Alexander (NAIC) for processing)

RECOMMENDED BY:  Erica Eversman

DATE:  3/18/2023

ISSUE:

Auto insurers pay partial loss claims on the basis of the cost of imitation (non-auto maker) parts, irrespective of whether the imitation part conforms to the auto maker's specifications, is made with the same materials, will truly function within the same safety parameters, and can be tracked and recalled if necessary. Imitation parts, even "certified" parts, are routinely found to fail to be of "like, kind, and quality" to the auto-maker parts and are decertified; and the consumer is never notified, nor is the consumer informed how the part will be replaced, and who will pay for the re-repair.

COMMITTEE REFERRAL RECOMMENDATION:

(A)  (B)  (C)  X  (D)  (E)  (F)  (G)

ACTION REQUESTED/CHARGE RECOMMENDED:

Revisit NAIC MDL 891 to re-define "aftermarket" parts and to establish appropriate criteria and methodology for insurers to inform consumers, initiate a parts recall, and pay for the installation of a replacement together with lab or costs, if an alternative part is decertified or otherwise determined to be inappropriate for continued use on a consumer's vehicle.

NAIC ACTION:

RECOMMENDATION ACCEPTED:  

RECOMMENDATION DECLINED:  

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