

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE AMENDMENT)
OF CHAPTER 19 OF THE WYOMING)
DEPARTMENT OF INSURANCE RULES)
AND REGULATIONS,) Docket No. 16-19

SUMMARY OF COMMENTS TO

Chapter 19 of the
Wyoming Insurance Department Regulations

After Market Parts

The Wyoming Department of Insurance received public comments relating to the proposed amendment of Chapter 19 of the Wyoming Insurance Department Regulations. The Department received comments from the National Association of Mutual Insurance Companies, Safelite Group, Inc., State Farm Insurance, and Property Casualty Insurers Association of America.

The comments received from the above-referenced companies all express a concern with the proposed definitions in Section 2 of the Department's proposed regulation. The main concern is that the Department removed the language that included "sheet metal and plastic parts" as part of the definition of "after-market part" and in the proposed regulation only defines "Part" as "the exterior of a motor vehicle, including inner and outer panels." The companies that have submitted comments believe that this language is ambiguous and will confuse people as to what parts are covered by the regulation. They are concerned that it will lead to the interpretation that it applies to all exterior parts including tires or glass. Safelite, State Farm and PCI recommend including the language, "sheet metal or plastic parts" to the definition, excluding glass or leaving the definition the same as previously defined.

In addition, each company is concerned that the language in Section 5 of the Department's regulation will create a "de-facto" ban on the use of Non-OEM and aftermarket parts in Wyoming. The proposed regulation states: "No insurer shall directly or indirectly require the consumer to pay any difference in price if the consumer elects to use OEM parts in the repair of the vehicle." The companies have expressed concern that Wyoming will be the only state to have such a requirement. The comments state that most jurisdictions have patterned their laws and regulations after the NAIC model rule, which requires consumer notice and consumer choice of parts selection without requiring the insurers to pay non-competitive parts prices, and remains silent as to who pays the additional expense for the OEM parts when a non-OEM party is available.

The companies also express concern that having the language in Section 5 of the regulation regarding payment of any difference in price will result in larger losses, will place pressure on the rates and adversely impact the affordability of insurance for policyholders in the state of Wyoming with no additional benefit to the consumer. Safelite, State Farm and PCI recommend removing the updated language and using the language that was previously in the regulation.

NAMIC recommends withdrawing the proposed amendments to the regulation.