



**VIA Email: [HouseCorporations@rilegislature.gov](mailto:HouseCorporations@rilegislature.gov)**

February 14, 2024

Representative Joseph J. Solomon, Jr.  
Chair, House Committee On Corporations  
Rhode Island State House  
Providence, RI 02903

Re: House 7264 - An Act Relating To Insurance – Motor Vehicle Replacement Parts

Dear Mr. Chairman:

This statement in opposition to House 7264 is submitted by the American Property Casualty Insurance Association (APCIA).<sup>1</sup> This bill is the latest in a seemingly never-ending series of autobody industry supported bills and is at least the third time where the issue of when and if to use aftermarket parts of original equipment parts has been addressed.

This inordinate amount of attention has real world consequences. And it all begins with the fact it is undeniable fact that personal auto insurance is expensive in Rhode Island. Depending on who is doing the ranking and what coverage options they are basing the estimate on, Rhode Island is generally on the list of the top ten most expensive.<sup>2</sup> This bill won't help.

A key reason for this is it costs more to repair a car in Rhode Island than anywhere else. At an average of \$5742, Rhode Island is \$218 higher than #2 New York (\$4735). Rhode Island has had the highest average autobody repair costs for the last 7 years running, increasing by almost 63% since 2016, from \$3596 in 2016 to \$5742 in 2023.<sup>3</sup>

A major driver for this cost differential is the use of original equipment (OEM) parts. Rhode Island is one of the most restrictive states in the country when it comes to the use of aftermarket parts and so it uses more original equipment parts than any place else in the country.

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<sup>1</sup> Representing nearly 65% of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. Several APCIA members are located in Rhode Island and many more do business here. Together, APCIA members write more than 75% of the personal lines auto insurance sold in the state.

<sup>2</sup> Insure.com, Carinsurance.com, Bankrate.com, NerdWallet, and The Zebra are just five of the sites often referred to by consumers when looking at automobile insurance rates. Each maintains a list of the most and least expensive states as well as a ranking of the states. Each bases its evaluation on different coverage options. Each, however, typically lists Rhode Island in the top ten of most expensive states.

<sup>3</sup> APCIA Greenbook, Auto Collision Repair Costs, January 2023.

The reason for this is the current law which basically requires OEM parts for the first 48 months. Now H7264 would increase that to 72 months. We expect repair costs will go up and additional pressure will potentially be put on the premiums consumers pay. Past is prologue.

For all of these reasons, APCIA opposes H.7264 and urges the committee to hold it for further study.

Very truly yours,

A handwritten signature in black ink that reads "Francis C. O'Brien". The signature is written in a cursive style with a large initial 'F' and a prominent flourish at the end.

Francis C. O'Brien  
Vice President, State Gov't. Relations