



Our mission

To act as the Ohio property and casualty insurance industry's voice on matters affecting or involving the industry.

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Senate Bill 236 (Wilson, Lang)

Michael D. Farley, Vice President, Government Affairs and General Counsel

Chairman Fraizer, Vice Chair Hall, Ranking Member Lightbody and members of the House Technology and Innovation Committee, thank you for allowing me to briefly discuss the proposed amendment to SB 236. I am Michael Farley and I have the distinct honor to serve as the Vice President, Government Affairs and General Counsel for the Ohio Insurance Institute (“OII”). The OII is a trade and information association of more than 55 Ohio-based property and casualty insurance companies and related affiliate organizations. OII members write approximately 87% of auto insurance in Ohio and 81% of home insurance. OII members write about two-thirds of the commercial insurance in the state.

The amendment presently before the Committee is straightforward. The amendment will streamline the process for obtaining parts to repair vehicles. Current law requires that the salvage motor vehicle part be actually “removed” by a licensed salvage motor vehicle dealer. The amendment simply allows that the salvage motor vehicle part be “sourced” by a licensed salvage motor vehicle dealer.

During the pandemic, our claims professionals have reported some instances where vehicle repairs were delayed due to the lack of availability of parts. We believe that removing this regulatory restriction in current law will modestly increase availability of salvage motor vehicle parts.

This provision of law has been in place to protect against the use of stolen parts. This protection remains in the amendment as the law would still require a licensed motor vehicle salvage dealer to be a significant part of the transaction. The insurance industry has every need to protect consumers and to prevent the use of stolen parts—this is why we maintain support of keeping the licensed salvage motor vehicle dealer in the transaction.

We have looked at surrounding states and none of them have the requirement that a licensed salvage motor vehicle dealer remove the part. Ohio is the outlier.

This amendment is a simple, common-sense measure to help move along the claims process. This will not be a panacea to the shortage of parts, transportation slowdowns, or workforce shortages. However, it is one positive tool. Thank you for your consideration of the amendment. I am happy to answer any questions that you may have.