

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Banking, Commerce and Insurance Committee March 4, 2025

**JACOBSON:** Yeah, I think we'll go ahead and get started. Welcome to the Banking, Commerce and Insurance Committee. My name is Senator Mike Jacobson from North Platte, representing the 42nd District, and I serve as the chair of the committee. The committee will take up the bills in the order posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the, on the table at the back of the room. Be sure to print clearly and fill it out completely. Once you're-- when it's your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on the bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and spell your first and last name to ensure that we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by the proponents of the bill, then opponents to the bill, and finally anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using the three minute light system for all testifiers. When you begin your test-- testimony, the light on the green table-- on the table will be green. When the yellow light comes on, you will have one minute remaining. When the red light indicates you have one, you need to wrap up your final thought and stop. Questions for the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It is just part of the process that senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the public record must be submitted by 8:00 a.m. The day of the hearing. The only acceptable method of submission is via the Legislature's website at [nebraskalegislature.gov](http://nebraskalegislature.gov). Written position letters will be included in the official record, our hearing record. But, but those, only those testifying in person before the committee will be included in the committee statement. I will now have

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the committee members with us today introduce themselves starting from my left.

**RIEPE:** Thank you, Chairman. I'm Merv Riepe, I represent District 12, which is the south central part of Omaha and the little town of Ralston.

**von GILLERN:** Brad von Gillern, I represent Legislative District 4, west Omaha and Elkhorn.

**HALLSTROM:** Bob Hallstrom, Legislative District 1, southeast Nebraska, Otoe, Johnson, Nemaha, Pawnee, and Richardson counties.

**HARDIN:** Brian Hardin, District 48, Banner, Kimball, and Scotts Bluff Counties.

**WORDEKEMPER:** Dave Wordekemper, District 15, Dodge County, western Douglas County.

**DUNGAN:** George Dungan, District 26, a very small portion of Lancaster County.

**JACOBSON:** Also assisting the committee today, to my right is our legal counsel, Joshua Christolear. And to my far left is our committee clerk, Natalie Schunk. Our pages are here today in the committee, and I'm going to let them stand and introduce themselves and tell us a little bit about your yourselves.

**KYMBERLI DYKSTRA:** Hi, I'm Kym, I'm a sophomore at UNL, and from Blair.

**AYDEN TOPPING:** Hi, I'm Ayden, I'm a sophomore at UNL also, and I'm from Orange County, California.

**JACOBSON:** All right. With that, we're going to begin today's hearing. I, I'm changing the order slightly. But those of you that are concerned about, oh my gosh, are we going to get way backed up, you aren't. Because I've got two bills to introduce that are both shell bills, so they will take a very short period of time. And I do have an appointment at 3:30, so I'm going to stay here until that time, and then I'll turn it over, if indeed the testimony continues on LB111 so the first bill. So yes, LB111. So with that, Senator Hallstrom, I'll turn it over to you.

**HALLSTROM:** Thank you, Senator Jacobson. Are you going to be staying to close?

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**JACOBSON:** You know, I'm going to waive my close on both these bills. I just want to avoid the questions.

**HALLSTROM:** How about the opening?

**JACOBSON:** I should waive my opening.

**HALLSTROM:** Welcome.

**JACOBSON:** Thank you, Vice Chair Hallstrom. My name is Mike Jacobson, M-i-k-e J-a-c-o-b-s-o-n. I'm here today to introduce LB-- is this LB30, or LB39, or LB40. LB40. All right. So I'm here to introduce LB40. LB40 is, as I indicated before, it's a bill that's really designed to bring into committee so that if we have subject matter that we need to add to a bill to get to the floor later, this would be one of the two vehicles in which we could get there. It's also referred to as a shell bill. So don't get too concerned about what's in the bill. I will be asking the committee to sit on the bill, and the next bill to do nothing with, unless we have a need later, as the session moves on to add content, modify the content, and move it to the floor. With that, I'll stand for any questions.

**HALLSTROM:** Any questions of the committee? Seeing none, thank you.

**JACOBSON:** Thank you.

**HALLSTROM:** Anyone here in support of LB1-- or LB40? Anyone in opposition to LB40? Anyone in a neutral capacity? As Senator Jacobson is approaching to waive, we had no letters in support, no letters in opposition, no neutral letters, and no written ADA testimony regarding this bill.

**JACOBSON:** I waive my close.

**HALLSTROM:** Carry on, my wayward son.

**JACOBSON:** Thank you. Thank you. All right. Good afternoon, Vice Chair Hallstrom, and members of the, of the Banking, Commerce and Insurance Committee. My name, again, is Mike Jacobson, M-i-k-e J-a-c-o-b-s-o-n. I represent District 42. Today I'm here to introduce LB39. LB39 is the second of our two shell bills. Again, as we talked before, because we're-- we generally put a bill together for banking and one for insurance. I introduce two shell bills that we could use for, one likely for insurance issues, and one for banking issues. Those bills would only move forward if we had other material to add to them to be able to have a bill or a vehicle to move them to the floor. So I do

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not intend for the bills-- to the bill-- for the bill to move. It'll just be here in case we need it. With that, I would stand for any questions.

**HALLSTROM:** Any questions? Seeing none, thank you.

**JACOBSON:** I'm going to waive--

**HALLSTROM:** There indeed, there indeed will be peace when you are done.

**JACOBSON:** That's right. And I'm going to waive my close.

**HALLSTROM:** Any supporters? Anyone in opposition? Anyone in a neutral capacity? With that, zero proponent letters, zero opponent letters, zero neutral letters, and no ADA testimony regarding the bill. That will conclude the hearing on LB39, and I will turn things back over to Chairman Jacobson.

**JACOBSON:** Thank you, Vice Chair Hallstrom and we'll now open the public hearing on LB111. Senator Quick, you're welcome to open.

**QUICK:** All right. Good afternoon, and thank you, Chairman Jacobson and members of the Banking, Commerce and Insurance Committee. My name is Dan Quick, D-a-n Q-u-i-c-k, and I represent District 35. And I'm here today to introduce LB111. LB111 is intended to address two specific issues for Nebraskans when they need a vehicle repaired after a collision or some other insurable damage occurs to their vehicle. The first issue is the use of aftermarket parts instead of original equipment manufacturer, or OEM parts, for vehicles being repaired after a collision, or when a car is less than three years old. As it stands now, many insurers will estimate these repairs using aftermarket parts and components. This is problematic for two reasons. One, many consumers do not know that the parts being used are not OEM parts. And two, perhaps and most importantly, the repair manuals and instructions do not allow for many of the replacement parts that are used in the insurers estimate. This puts consumers in a precarious position of unknowingly accepting replacement parts that are not generally accepted by the industry repair manuals or instructions. Second, this legislation would allow that vehicles could be repaired with aftermarket components when the vehicle is over three years old. However, it would still require insurers to disclose that their estimate does not include OEM parts conspicuously in writing. We think that the insurers should have to deal with their insurers transparently, and insured should receive a notice, at least a notice, of what their insurer is willing to cover while they collect premiums

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for the full replacement value of a vehicle. The fact of the matter is that insurers know that the price differences for these replacement parts, while significant, is not enough to seek legal representation in any first party insurance case. It is simply too costly for consumers to fight them. Excuse me. They know that these are simply not-- there is simply not enough money at stake for these Nebraskans to engage lawyers and fight them on the components they quote on their repair estimates. I thank you for your time and your attention to this matter, and I'm happy to answer any questions that I can, but I know there's people coming behind me that may be able to answer the questions better. And so with that, I thank you.

**JACOBSON:** Thank you, Senator Quick. Questions? Senator Dungan.

**DUNGAN:** Thank you, Chair Jacobson. Thank you for bringing this bill, Senator Quick, I look forward to hearing some of the testimony about the specifics. I did notice in Section 8, you have a violation of this act being a class one misdemeanor. I know with some of the other things that have come before our committee and other committees, rather than using a criminal penalty, people have imposed, for example, a civil penalty where the Attorney General can bring a suit for a particular fine. Would you be open to the possibility of doing a civil offense instead of a criminal offense?

**QUICK:** Yeah, myself, I would, I would be open to that. You know, if there's any changes that would need to be made. And maybe the testifiers could talk more to that, to that Section 8 part too.

**DUNGAN:** OK. Yeah. And I don't want to get into the specifics. I'll wait for them on the rest of it. But that, that aspect of the , the teeth to the bill, I guess, if you're open to it as long as there's some teeth in general.

**QUICK:** Yeah. Yes.

**DUNGAN:** OK. Thank you.

**JACOBSON:** Other questions from the committee. All right. Seeing none, Thank you, Senator Quick. Will you stay for close?

**QUICK:** Yes, I will.

**JACOBSON:** All right. Thank you. I'll ask for the first proponent? Go ahead.

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**RYAN CLARK:** Good afternoon, Chairman Jacobson and members of the Banking, Insurance and Commerce Committee. I'm Ryan Clark, R-y-a-n C-l-a-r-k. Thank you for time today to discuss LB111. I'm the vice chairman of the Nebraska Auto Body Association, or the NABA, which has over 100 body shops across the entire state in almost every district in Nebraska. I'm also the VP of Eustis Body Shop, which has eight body shops in six different communities across the state. I oversee operations and we have over 100 employees. I want to ask for your support today as an important piece of legislation for consumers who have recently purchased or leased new vehicles, and have the unfortunate event of being in an accident. The current statute states that insurance companies will reimburse consumers with like kind and quality parts, or LKQ, or aftermarket parts, rather than OEM parts such as Ford or Chevy, OEM standing for original equipment manufacturer. This bill states that vehicles three years old or newer would require the use of OEM parts. There are many reasons why this will benefit consumers. First, vehicles are equipped with innovative technology today that weren't here ten years ago. Think about the new windshield cameras, blind spot monitors, adaptive cruise control. Now we have self-driving and even Super Cruise on the Chevy's. If the vehicle is in an accident, these sensors are-- can be damaged and need replace. Ironically, insurance carriers asked the OEMs to build this technology to help reduce the number of accidents and reduce the claims. However, this has a direct effect on the increasing repair cost as new sensors were introduced and the cost of these chips, sensors, technology, programing, and calibrating after a collision. The OEMs have done extensive testing to make sure the proper metal thickness, substrate, or even paint will allow these sensors, often sonar, to read through the different levels of substrate. We've found that the aftermarket parts that are being required by the bill payers contract with the consumer, don't always meet the requirements or pass the calibrations after the vehicle has been painted or installed back on the vehicle. Aftermarket parts may be made in the same exact factories as OEMs, but the materials are different, and they have to be because of copyright laws and cost. When we order OEM parts, and that part is recalled, the vehicle owner is notified. If an aftermarket certified is also known as a CAPA aftermarket part are recalled, they publish the list online, but the owner is not notified. Another issue is when a consumer comes in with a brand-new vehicle, sometimes less than 5,000 miles. They want it back to pre accident condition and are upset when the insurance company will not provide OEM parts. They have out-of-pocket expenses they did not realize and many times are upset with their insurer. There is only one insurance company that has had a customer utilize OEM endorsement come through

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our doors, and we fix 3,500 cars last year. That insurance company is Nationwide, and we recently learned they're no longer writing auto policy, new auto policies in the state of Nebraska. There are other states with very similar laws which I can go over in the handouts. But with that, I just also wanted to thank you for your service in the Legislature, and please support LB111, which will protect consumers and keep Nebraskans safe that are involved in a collision and after their vehicle is repaired. I'll be open to questions at this time.

**JACOBSON:** Questions from the committee? Yes, Senator Wordekemper.

**WORDEKEMPER:** Thank you for being here. I appreciate it. So is the gist of this that if my car is three years or newer and I have an accident, I can bring it to your shop. The insurance company has the option to use non-OEM parts. Is that--

**RYAN CLARK:** That is correct.

**WORDEKEMPER:** --typically the practice?

**RYAN CLARK:** Yes.

**WORDEKEMPER:** OK. If, if that vehicle is a lease vehicle, is there any stake for the dealership if I turn that back in and there was not OEM parts used on it for me to get charged for that or liability on their part or whatever, they can't resell that vehicle. Is there anything to that?

**RYAN CLARK:** Yes. So there-- I was running out of time, so I didn't want to get into the weeds too far on that. But yes, that's als-- another concern from the consumers. So if they get put aftermarket parts on their car, they go to that dealer that they're leasing it through or the banking or the lender and those aftermarket parts are used, they-- there are some times that they do ding the consumer on it and they have to pay out of pocket those additional expenses to get it up to the OEM part.

**WORDEKEMPER:** Thank you.

**JACOBSON:** Other questions. I guess I would, I would have one. It's my understanding that if you-- that today they're allowed to do this, the insurance companies are allowed to try to find a cheaper alternative for a like kind product.

**RYAN CLARK:** Correct.

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**JACOBSON:** And like quality and so on. But if you want OEM parts, you can let your insurer know that and there are higher premium insurance products to take up the additional cost that the insurance company would, would incur to put OEM parts in place.

**RYAN CLARK:** Yes. Like I said in my testimony, there's only one insurance company that I know of, we fixed 3,500 cars last year, that offers the policy. It was Nationwide, and they are able to do that. Most insurance companies, to reduce costs, don't offer this or it's not advertised to consumers.

**JACOBSON:** And so how big a problem is this? I know I hear about the windshield sensors, which would seem to me is not a like quality if it's not the same insurance sensor, I mean, windshield sensor. I, I mean, I, if I, I replace, go through windshields pretty regularly. And, and [INAUDIBLE].

**RYAN CLARK:** They're not cheap anymore.

**JACOBSON:** Yeah, that's exactly right, they're not cheap. But you know I'm going to an auto glass repair place, I can almost assure you, those are not OEM parts.

**RYAN CLARK:** Correct.

**JACOBSON:** And I've never had a problem. So where is the problem coming in?

**RYAN CLARK:** It's the collision parts. The crash parts? So the mechanical and glass, that's-- it's not really, that's not where the issues are. Those are, you know, you know, the suspension components or radio components, those sorts of things or the glass, that's not where the issues lie. It's more on where the sensors are mounted. So blind spots are mounted usually on the quarter panel behind a bumper. That bumper is what we're buying with a certified part. If it's a different thickness, that sonar may not be able to read through it or reads through it too far, so it's thinking that vehicle next to it's too far or too close away, potentially causing a crash. The other ones are emergency braking on the front of the car that are sometimes behind a grille or a bumper, the different substrates of the materials that they're using compared to the OEMs. Over time, they do get better, and that's why we have a three years in there, because we do think those parts are viable. But on the newer vehicles, we're just, we're seeing a lot of vehicles that when we're calibrating them, they're not, they're not working.

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**JACOBSON:** OK. So then what do you do when they're not working?

**RYAN CLARK:** Then we go back to the insurer to pay for it. And not only are they paying for the aftermarket part, they're paying for that calibration, they're also paying for the new OEM part, us to pay it again.

**JACOBSON:** Right.

**RYAN CLARK:** And paying us to do the calibration again.

**JACOBSON:** So there's a remedy right now with the current law.

**RYAN CLARK:** The current is. But I know that a lot of components-- opponents say that it's going to rise cost, but that's what's happening. And that's one of the reasons why they're rising is because of we're having to go through all these steps. And this entire time the consumer could have had the cust-- or the vehicle back, and now they're out two, three, four weeks, it's just delaying the repair process.

**JACOBSON:** I'm just thinking if there was a car that was involved in a front end collision.

**RYAN CLARK:** Sure.

**JACOBSON:** And the trunk, for example, of the car is pristine, like nothing happened. So it's going to be at an auto repair parts, at a salvage place because they totaled the car. So I have a rear end collision and I need that trunk. So they could, I could go, we could go to the salvage yard and buy that trunk, repaint it the color it needs to be.

**RYAN CLARK:** Yep.

**JACOBSON:** Put it on the vehicle. Same as a new one, isn't it?

**RYAN CLARK:** Yeah. Like, kind, and quality part. Yeah.

**JACOBSON:** Right. But if I have to buy a brand new one OEM, that's significantly higher cost. So the insurance is going to pay more. So they're going to pass that through at a premium. So you know we're basically forcing consumers to pay higher premiums, aren't we, by-- if this bill would pass?

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**RYAN CLARK:** It's-- that's why we want it only the first three years. Because usually newer cars aren't getting totaled out anyway, so there's not really a used part available. We'd be happy to include that in there, it's more the aftermarket component that's really causing the issue.

**JACOBSON:** But, but it seems to me if you have a head on collision and you get the engine and everything up front--

**RYAN CLARK:** Yep.

**JACOBSON:** It can be a brand new car right off the lot, you--

**RYAN CLARK:** Yes sir.

**JACOBSON:** --haven't you?

**RYAN CLARK:** Yeah. Mm-hmm.

**JACOBSON:** OK. And that's my point, is I, I guess I'm concerned that consumers should have a choice, it would seem to me, that, that-- and it's-- I know I'm able to ask the insurers that are here to explain that piece of it, but it was my understanding that you could have the option to pay up for OEM if you wanted to do so, and I'd be curious to know the answer to that question.

**RYAN CLARK:** Yes, sir.

**JACOBSON:** Thank you.

**RYAN CLARK:** And we do want to allow the use of used parts too, it's-- that's not really what we're trying to get at, it's the more the aftermarket versus the OEM.

**JACOBSON:** Gotcha. OK. Thank you.

**RYAN CLARK:** Mm-hmm.

**JACOBSON:** Other questions. Yes, Senator Dungan.

**DUNGAN:** Thank you, Chair Jacobson. And I don't mean to belabor the point.

**RYAN CLARK:** Yep.

**DUNGAN:** This is all new to me, this, this whole area.

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**RYAN CLARK:** Sure.

**DUNGAN:** Can you explain a little bit more about the difference of what you just said. When you're talking about a quote unquote aftermarket part versus a new or a used part that's from the same vehicle, I guess. How is an aftermarket part different from what Senator Jacobson was just talking about?

**RYAN CLARK:** Sure. So a used part or LKQ part, those are from a salvage yard. So if he was in a front end collision and the truck is perfectly fine, we-- the insurance company or we would purchase that u--used trunk, paint it a different color if we need to, and put it on the car. An aftermarket part is manufactured, sometimes in the same facilities as an OEM, but they're usually made differently with a different metal substrate or a different metal thickness, some sorts of that, but they're-- or sometimes made overseas and brought back in at a cheaper cost.

**DUNGAN:** OK.

**RYAN CLARK:** So aftermarket parts are just made not by the Ford or Chevy.

**DUNGAN:** So the latter of those two, these aftermarket parts that are being constructed differently, or possibly construc-- that's what you're seeking to address in this bill, not necessarily the trunk that's from the same vehicle in the salvage yard.

**RYAN CLARK:** Yes, sir.

**DUNGAN:** And you'd be open to--

**RYAN CLARK:** 100%.

**DUNGAN:** --language to clarify that?

**RYAN CLARK:** Absolutely.

**DUNGAN:** OK. Thank you.

**RYAN CLARK:** And civil also.

**DUNGAN:** OK. And civil.

**RYAN CLARK:** Yes. And civil also. We were just trying to mimic other bills that our surrounding states have it. Just to kind of reiterate,

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like we're not the only ones having the issue. There's a lot of states that have this.

**DUNGAN:** Sure. And I just know once you start-- my background's in criminal law. So once you start implementing criminal penalties, there's a whole bunch of other things that get brought into it, process and procedurewise. So I just was curious if you'd be open to that.

**RYAN CLARK:** Absolutely.

**DUNGAN:** Thank you.

**JACOBSON:** I do have one last question for you.

**DUNGAN:** Yes, sir.

**JACOBSON:** So you've indicated that it's really the collision sensors where the aftermarket product is not as good.

**RYAN CLARK:** Or the body panels such as the bumper.

**JACOBSON:** OK. So what if the bills said that those had to be OEM as opposed to everything's got to be OEM?

**RYAN CLARK:** Absolutely.

**JACOBSON:** All right. Thank you. Other questions? If not, thank you for your testimony. Next proponent.

**DILLON LAPP:** Dear members of the Banking, Commerce and Insurance Committee. My name is Dillon Lapp, D-i-l-l-o-n L-a-p-p. I am co-owner manager of Twin Rivers Body Shop, located in North Platte, Nebraska. As long-- as well as that, I am the treasurer of the Nebraska Auto Body Association. Every day I speak to consumers about the repairs as well as the components that are involved with this repairs. These conversations at times are very difficult to explain to a consumer who has damage to their vehicle to which they are distraught about. Now, I have to explain to them as why the insurance company is not providing funds to cover OEM parts. They will, in fact, cover aftermarket used parts on that vehicle. The reactions of these consumers ranged from sadness, frustration, and absolute confusion. The questions that are always asked, why will the insurance company not pay for OEM factory parts? Will this affect my selling/trading options? Will this devalue my vehicle? According to the article, how is car depreciation calculated? Published by Car and Driver February 24, 2023,

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depreciation starts racking up the minute you drive off the dealer's lot. A new vehicle will lose at least 20% of its original value in the first 12 months. That means your \$50,000 SUV is now only worth \$40,000 not-- only a year later. Progressive Insurance described aftermarket parts as such: aftermarket parts are replacement parts made by a manufacturer that isn't vehicle's original manufacturer. They can be used for repairs or to modify a vehicle's performance or appearance. Aftermarket parts are new, not used parts from other vehicles. I want to share a personal story that shows some insight into what an aftermarket part versus OEM part looks like. On July 21st, 2022 a consumer was involved in an accident where another party ran a red light and collided into him. The consumer that was involved in this accident was driving a 2022 Ford Expedition. The significance of the vehicle was it was special ordered and the consumer waited eight months upon delivery from the manufacturer. The price of the expedition was \$87,587. When the vehicle was towed, my facility had less than 10,000 miles on it. The estimate total came up to \$34,520 for the damage that occurred during the accident. The insurance company was the consumer. The other party that was involved was non-insured. So not only was this consumer in an accident, but now he has to run a claim through his own insurance company. We had wrote an estimate, sent it to the insurance company. The insurance company had sent back an estimate. All aftermarket parts. The problem with that being is there was no aftermarket parts available for that vehicle. So my job was to contact aftermarket suppliers, get the statements that there are no parts available for this yet.

**JACOBSON:** OK. I know you're out of time.

**DILLON LAPP:** Yep.

**JACOBSON:** And you respected the clock, but let me just ask you to go ahead and finish what you were saying.

**DILLON LAPP:** OK. What we did as a shop is contacted all of the vendors for aftermarket parts. Got all of the statements where there was no parts available for this vehicle. We sent that back to the insurance company. We waited. They responded. They tried a different aftermarket parts vendor. We did the same thing as the first time. Contacted the vendors. Same thing. They had very minimal of the parts that were needed for the repairs. After that, we sent it back to the insurance company, asked them again for OEM parts because that was the only thing available for this consumer's vehicle. After two months of the consumer waiting for the insurance company to give me an answer back,

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we finally got to order all OEM parts and they were available the week that were placed.

**JACOBSON:** OK. Thank you. Questions from the committee? Now, you're here today, so does that mean Jim Miller is actually doing some work in the shop, or what's going on?

**DILLON LAPP:** He's-- honestly, hopefully he's fishing.

**JACOBSON:** That's probably good. That's probably good. Thank you for coming in today.

**DILLON LAPP:** Yep. Thank you.

**JACOBSON:** Next proponent?

**BLAIR MacDONALD:** Thanks.

**JACOBSON:** How are you?

**BLAIR MacDONALD:** Great. Thank you so much, Chairman Jacobson and members of the Banking, Commerce and Insurance Committee. My name is Blair MacDonald, spelled B-l-a-i-r M-a-c-D-o-n-a-l-d, and I'm here today on behalf of the Alliance for Automotive Innovation, the trade association that represents the OEMs that make nearly every new vehicle sold in the US, battery producers, semiconductor makers, Tier 1 suppliers and technology companies. Auto Innovators strongly supports LB111, which would improve transparency to consumers and insurance funded automotive repairs and improve safety outcomes. Today's vehicles are considerably more advanced than vehicles of only a few years ago. Aluminum, magnesium, and high strength steel have replaced traditional steel to save weight. Vehicles are equipped with safety technology such as "lightar," radar, sensors, cameras and other equipment that improves the safety of the car's occupants and shared roadway users. These advances undoubtedly make vehicle-- have made vehicle repairs more complex, and repairs have had to quickly adapt to be, to be able to restore vehicles to their safe and proper roadway condition in the event of an accident. LB111 recognizes this new reality and sets a standard for parts it used in insurance funded repairs. For vehicles 36 months or newer involved in an accident, OEM parts would be required in the repair of that vehicle. Most new vehicles come with a vehicle warranty that is at least three years or 36,000 miles, and many manufacturers offer warranties beyond those requirements. This legislation would ensure that OEM parts are used in collision repairs while the vehicle is most likely to be under the original warranty period, guaranteeing that the vehicle is returned to

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its true pre-loss condition. Beyond the time frame, the bill says insurers cannot require the use of any OEM part unless the aftermarket or replacement part is equal in condition, equal in quality to the corresponding OEM part in terms of fit and performance. In other words, this bill allows for non-OEM parts to be used in insurance funded repairs so long as they are equal and fit quality and performance to the corresponding OEM part. Opponents of this bill may claim that their parts may meet or exceed the quality originally installed on the vehicle, or they may say their parts come down the same assembly line as OEM parts. Again, this would not-- this bill would not preclude the use of aftermarket parts. It just sets a baseline for the quality of the parts that should be used in insurance funded repairs. Most consumers would expect their vehicles to be repaired with an OEM or substantially similar part, even in the absence of any law ensuring such a requirement. Beyond these requirements, the legislation includes important notice and disclosure information that must be provided to consumers when repairs are made using non OEM parts. This is a simple provision that ensures that the consumers are educated and informed regarding the repair of their vehicle. We thank Senator Quick for proposing this approach to achieving better quality repairs for all Nebraskans on the road. LB111 is a commonsense, pro-consumer pro safety piece of legislation, and which is why Auto Innovators is happy to support this bill.

**JACOBSON:** Thank you. Questions? All right, seeing none, thank you for your testimony.

**BLAIR MacDONALD:** Thank you, Senator.

**JACOBSON:** Are there any other proponents? I Hello. How are you?

**SARAH STILLAHN:** Hi. Good. Thank you, Chairman Jacobson, members of the committee, and Senator Hardin. Thank you for your service to Scottsbluff. My name is Sarah Stillahn, S-a-r-a-h S-t-i-l-l-a-h-n, and I manage Bumper to Bumper Body and Paint in Scottsbluff, a family business operating for over 40 years with 11 employees. LB111 is an important piece of legislation that will ensure Nebraskans are not forced to use aftermarket parts instead of original equipment manufactured parts when their vehicle is less than three years old and involved in a collision. As vehicle technology advances, the difference between aftermarket and original equipment manufactured parts becomes more critical. These are not restorations or farm trucks. We are repairing highly advanced vehicles with complex driver assist systems that require extreme consideration when following repair procedures. Yet we are seeing insurers only wanting to cover

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aftermarket sensors, aftermarket blind spot monitors, and even critical safety components like headlights. On many modern vehicles, these headlights play a key role in helping sensors detect objects at night. This concern has been highlighted by the recent Ford Bluecruise issues, where the National Highway Traffic Safety Administration opened an investigation in April of 2024 after receiving reports of two fatal accidents involving Bluecruise equipped MACH-Es. This shows how these advanced systems depend on properly calibrated and approved parts. This bill is not about increasing profits for body shops. Original equipment parts typically have lower profit margins than aftermarket parts. In reality, insurance companies have increasingly relied on price matching programs from manufacturers to basically manipulate the data, creating the illusion that more aftermarket parts are being used than what is actually being installed on these vehicles. As a result, shops often absorb further margin cuts just to provide customers with safer, higher quality parts than what the insurers originally approve. Insurers' source parts pricing often comes from invalid businesses or non-viable parts from all over the nation, artificially, artificially lowering estimates below market rates. This makes price matching nearly impossible, leading to significant delays, higher rental costs, and frustration for the insured, while we enter the seemingly never ending black hole of supplement approval delays. Beyond approvals, aftermarket crash parts often have poor fitment, misaligned holes, incorrect contours, paint adhesion issues, and maybe even a vibrating mirror glass, sometimes requiring significant modifications just to install these parts. These issues compromise repair quality, safety, and efficiency. Additionally, additionally, we believe consumers should be fully informed about the repairs. While this legislation would allow for the use of aftermarket parts for vehicles over three years old, we support the requirement that consumers get more transparency and be explicitly notified when non-original equipment parts are used. This bill is similar to a law currently in place in Wyoming, and as a shop in western Nebraska, we see these policies in action. For Wyoming, we simply provide customers with the choice between OEM and aftermarket parts. If they opt for aftermarket parts, they sign an authorization acknowledging their decision. Some customers, particularly those with older vehicles with less advanced crash safety components, occasionally do opt for these aftermarket alternatives. To be honest, sometimes that's our only option on these older cars. This approach also prevents unnecessary delays caused by sorting through poorly manufactured parts, ensuring that part selection is based on quality or timeline, rather than just the lowest cost. It really generates more of a free market where the consumer is in control. The current

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system unfairly places the burden on consumers. It lacks transparency and enables insurers to prioritize cost over quality and safety. Customers should have a voice in the parts used to repair their vehicle after a collision. They shouldn't have to pay extra just to insure the factory quality repairs. This bill will help guarantee Nebraskans receive the high-quality repairs and replacement parts they deserve. Thank you for your service in the Legislature. Please support LB111 to protect consumers and keep Nebraskans safe after a collision.

**JACOBSON:** Thank you. Questions? Senator Riepe

**RIEPE:** Thank you, Chairman. I've been sitting here and reading some and hearing some. What I'm trying to figure out how you determine equivalency.

**SARAH STILLAHN:** Good question. So there, there is some certifications out there. There is a certification called CAPA. They do some testing on these parts. And we could provide you some more detailed information later on how that goes.

**RIEPE:** I'll take your word for it.

**SARAH STILLAHN:** OK. Yeah. They, they do go through some certifications. They're testing some of the parts initially, and then after that none of the parts get tested. They also are not put through crash testing. It is not the same as what the original equipment does on the vehicle initially.

**RIEPE:** So it's a third party.

**SARAH STILLAHN:** Correct.

**RIEPE:** OK. That's what I want to know. Thank you. Thank you, Chairman.

**JACOBSON:** You bet. Questions? Senator Hallstrom.

**HALLSTROM:** This is off topic. Are you--

**SARAH STILLAHN:** Sure.

**HALLSTROM:** --related to any of the Stillahns] from Syracuse?

**SARAH STILLAHN:** Yes. Yes.

**HALLSTROM:** Well, we'll talk later.

**SARAH STILLAHN:** Yeah.

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**JACOBSON:** That's not necessarily good news. Other questions? All right, seeing none, thank you for your testimony, and thank you for being here. Did you drive here from Scottsbluff?

**SARAH STILLAHN:** I did.

**JACOBSON:** Oh. Do-- and you'll try to get back home?

**SARAH STILLAHN:** Well, I hope so. We're expecting some weather, so we'll see.

**JACOBSON:** Well, I'd hate to see you end up in a body shop, so.

**SARAH STILLAHN:** Well, I, I think there's a few along the way if I need one.

**JACOBSON:** Other proponents? Any other proponents? All right, seeing none. What about opponents? Who wants to speak in opposition? How are you?

**TOD MOORE:** Doing well, sir.

**JACOBSON:** Go ahead.

**TOD MOORE:** Good afternoon, Chairman Jacobson and members of the committee. My name is Tod Moore, spelled T-o-d M-o-o-r-e, and I am the manager of grassroots and advocacy for the Auto Care Association. We are a national trade association comprised of more than 3,000 member companies and affiliates that manufacture, distribute, and sell motor vehicle parts, accessories, services, tools, equipment, materials, and supplies. The Autocare Association is the voice of the auto care industry, a \$516 billion plus industry comprised of more than 4.7 million American workers. In short, we represent the entire automotive aftermarket. On behalf of the aftermarket industry, we write to express our concern and opposition to LB11 [SIC, LB111]. In Nebraska, the aftermarket employs over 16,000 individuals, generates \$3.6 billion in economic activity, and provides \$1 billion in wages. Aftermarket businesses provide residents with affordable options for maintaining and repairing their vehicles. As currently written, LB11 would adversely affect Nebraskan drivers as it would restrict the use of alternative parts, including aftermarket, recycled, remanufactured, and refurbished parts when OEM repair procedures are mandated. Specifically, the OEM procedures referenced in the bill restrict the ability to use any part for a vehicle repair, with the exception of newly manufactured OEM parts. If the bill was passed, the consumers would be obliged to-- obligated to use newly manufactured OEM parts to

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repair their vehicles, and would lose the choice to use recycled OEM and/or aftermarket replacement parts. This lack of choice will reduce competition and cause consumers to pay more for their vehicle repairs. Additionally, there is no body of research, individual study, or data to support the implication that aftermarket parts are inferior to OE parts. In fact, they're often produced by the same company that produce the original equipment part, but may come in a different box. The only difference is the OE parts often cost more than the non OE branded equivalent, meaning increased repair and insurance costs for consumers. The Auto Care Association respectfully urges you to vote no on LB111 as the unintended consequences for consumers and the negative impacts, Nebraska businesses would do more harm than good. And thank you for your time.

**JACOBSON:** Questions from the committee? Yes, Senator Dungan.

**DUNGAN:** Thank you, Chair Jacobson. Thank you for being here. I think maybe you can shed a little more light on some of my questions, too, about this. I remember when I was a kid, I'd go over to a friend's house to play Nintendo 64, and they had four controllers, and three of them would be the original N64 controllers, and the fourth one was that trashy one that nobody wanted. It looked similar, but it didn't work the same, it didn't feel the same. The products that we're talking about here for aftermarket products, are they-- I guess I'm hearing two different things. I'm hearing that they are lesser in quality and I'm hearing they're exactly the same. Do they run the gamut? Are there some aftermarket parts that are not the same quality and others that are? Or are we saying that all aftermarket parts are of the exact same quality as OEM? I'm just trying to understand definitionally what is an aftermarket product, because it sounds like what we're trying to target here-- I'm not trying to put words in Senator Quick's mouth-- are the ones that are not as high a quality. And so is there a way that you can differentiate those? So I'm throwing a lot at you. But that's, that's kind of the thing I'm struggling with here to understand.

**TOD MOORE:** Yeah, I don't-- I haven't seen any information or data, as I said, that implicates that aftermarket parts are inferior to OE parts. You know, as I said, they're often manufactured from the same company or in the same facility. And I can't really speak to whether or not there's a way to definitively define what is inferior when it's the same quality.

**DUNGAN:** OK. And there might be others after you that can answer that too. But I appreciate your expertise. So thank you for being here.

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**JACOBSON:** Other questions from the committee? Nothing, huh? I, I guess just a question regarding again this-- some of the questions that were raised earlier on OEM versus aftermarket. Roughly what percentage savings are we looking at with versus taking OEM versus aftermarket?

**TOD MOORE:** I don't have the exact number right before me. I'm happy to share that with the committee, but it's around, I want to say 180% markup, for example, aftermarket bumper versus an OEM bumper. But I can find that exact number for you.

**JACOBSON:** Maybe you've got some, somebody else that might be able to step in here and tell us that answer? All right, I, I thank you. Senator Hallstrom, did you raise your hand or were you just scratching something?

**HALLSTROM:** Scratching my-- my hair's wet.

**JACOBSON:** Thank you. All right. All right. No other questions? Thank you.

**TOD MOORE:** Thank you.

**JACOBSON:** Next opponent. How are you?

**KEVIN FISK:** I'm good, thank you, Chairman. Chairman Jacobson, members of the committee. My name is Kevin Fisk, K-e-v-i-n F-i-s-k. I'm here on behalf of LKQ Corporation. We are the leading global provider of alternative auto parts. That includes aftermarket, recycled, remanufactured, specialty parts, as well as the leading provider of motor vehicle diagnostic services with our VTEC services. We have eight facilities here in the state of Nebraska with over 100 employees. LB111, we are here in opposition. We have seen similar bills to this the past three years here before the Legislature. In 20 states over the past few years, similar legislation has been rejected. This, this type of legislation that prohibits the use of alternative parts, specifically aftermarket parts, is really a government mandated monopoly for OEM parts. OEM parts, as you've heard, and aftermarket parts are often made in the same facility on the same assembly line following the same specifications, the difference being the brand placed on the part. It was asked, what's the difference between the parts? It's the cost. On the average, alternative parts sell for between 25 to 50% less than the comparable OEM parts, and in some cases they can run as high as 70 or 80% less, which helps insurance companies to contain collision repair costs and premiums. So one of the things that we dislike is that this bill requires warnings about

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the use of aftermarket parts to repair a vehicle, which essentially is to create a stigma in the mind of the auto owner that there must be something wrong with these parts, that they're inferior or unsafe. But we don't do that with prescription drugs. When pharmacies offer generic equivalents, they don't put up warnings about these drugs. It's the same sort of thing. Our being in the marketplace fosters competition, forces car companies to cut the price of their branded products, greater competition, resulting in lower repair costs and lower insurance premiums. Limiting those options has the opposite effect. And those OEM replacement parts will actually increase in price if, if this is enacted. We're seeing increased costs in repair and maintenance significantly higher since Covid for several factors: inflation pressures, labor shortages, the technical complexity of new motor vehicles, new materials and manufacturing methods for these vehicles, shipping and supply chain disruptions--

**JACOBSON:** I'll have to ask you to wrap up your comment.

**KEVIN FISK:** Sure.

**JACOBSON:** Just, if you got one more line, go for it.

**KEVIN FISK:** Sure.

**JACOBSON:** But there may be questions from the committee.

**KEVIN FISK:** The, the costs, according to Bureau of Labor Statistics, for Motor Vehicle Parts has jumped 23.1% in 2024 from the year before. Parts supply has been a big problem, and we are opposed to any sort of restriction in mandate that, that creates a monopoly for the OEMs.

**JACOBSON:** Thank you. Questions from the committee? Senator Wordekemper.

**WORDEKEMPER:** Thank you for being here. Do you know if there's any data that car manufacturers will do with reference to crash data on like quality parts versus new parts? Putting them on a vehicle, are they just as safe? Does anybody do crash data on that?

**KEVIN FISK:** They-- there, there have been crash tests over the years, but every crash test has a different result. The same crash doesn't happen twice, and the same result doesn't happen twice. So what they do is they'll take a look and look for trends in, in each one of the crash tests to see how the OEMs perform versus the aftermarket parts perform. And as you heard, one of the testing facilities, Intertek, they do aftermarket part testing and they compare the, the part to the

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OEM original part. I've been to their facility. In fact, it's from my home state of Michigan, not far from my home. It's an impressive facility. It's a very thorough and rigorous process to get these aftermarket parts certified to make sure that they live up to the like, kind, and quality standard for form, fit and finish.

**WORDEKEMPER:** Thank you.

**JACOBSON:** Other questions? Yes, Senator von Gillern.

**von GILLERN:** Thank you. Thank you for being here. You mentioned that 20 states have rejected this type of legislation. Have any states passed it?

**KEVIN FISK:** There was-- the state of Rhode Island has passed similar legislation. But I wouldn't encourage Nebraska to be like Rhode Island.

**von GILLERN:** did they-- that's the only other state that you know of?

**KEVIN FISK:** In, in recent years since I've been with LKQ.

**von GILLERN:** OK. All right. Thank you.

**JACOBSON:** Senator Dungan.

**DUNGAN:** Thank you, Chair Jacobson. Thank you for being here, sir. I actually find your analogy of generic drugs really compelling. I think that's an interesting conversation because we have that conversation in here a lot. Can you speak at all to any of my questions that I had earlier too about the make of these parts? You kind of spoke to it briefly in your testimony, but it seems to me that the definition of aftermarket part is somewhat of a range, that we're talking about some that are, to your point, identical, off the same line, same, you know, product. Just the only difference is packaging. Are there other parts that are not of the same quality and does this encompass those too?

**KEVIN FISK:** Yeah, yeah, there may be. I think that there-- obviously there are some that can be purchased off the internet from China. They are not the sort of parts that we would-- In fact, we, we don't source, or try not to source, from China because the quality from their manufacturing is, is very poor. There are other countries that we look to outside of the United States for production of those parts, but we do source both domestically and foreign aftermarket parts.

**DUNGAN:** Thank you.

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**KEVIN FISK:** Sure.

**JACOBSON:** Yes, Senator Hardin.

**HARDIN:** Sorry, as Chair of HHS, I do have to correct your comparison to generic drugs.

**KEVIN FISK:** OK.

**HARDIN:** That is not how that works.

**KEVIN FISK:** OK.

**HARDIN:** And the reason it doesn't is because generic drugs are actually given a period of time, perhaps three years, during which time, it's not about proving the efficacy of the drug. It's to allow the pharmaceutical manufacturer to recoup research and development costs before they can move on. But the point is well taken. So thank you.

**JACOBSON:** Along that line. I would just mention that if you've ever toured the sugar factory in Scottsbluff, I can tell you the shock that I had when I went to the factory and it was a Great Western, and so they had the GW sugar bags at the end. And then they stopped the line, switched out the bags, and put a different bag in there, a generic bag, and they were off to the races again. It's like, so we're telling us this is the exact same sugar.

**KEVIN FISK:** Right.

**JACOBSON:** I mean, it's-- when I saw that, it's like when I found out about Santa Claus, OK? So.

**KEVIN FISK:** Right.

**JACOBSON:** So.

**KEVIN FISK:** Right.

**HARDIN:** But again, I-- your point's very well taken, that new box.

**KEVIN FISK:** Right.

**HARDIN:** Same product.

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**KEVIN FISK:** Right. But, but my point with generic drugs is that, that there's not a posted warning about the use of generic drugs when you get your prescription. That's, that's the main--

**JACOBSON:** When you say you do foreign sourcing.

**KEVIN FISK:** Yeah.

**JACOBSON:** Is that foreign sourcing for U.S. manufactured cars or foreign sources for foreign cars?

**KEVIN FISK:** It's for both. Just as the, the automakers also source for domestically produced vehicles. They also source from foreign part manufacturers.

**JACOBSON:** For their OEM parts.

**KEVIN FISK:** That's correct.

**JACOBSON:** OK. That's good to know. Thank you.

**KEVIN FISK:** And one other thing I'll add. Their replacement parts are not exactly the same as the original part when it was put on the vehicle new. So those replacement parts can be quite different in the composition materials that they use as replacement parts.

**JACOBSON:** Now do you deal in used parts two or just aftermarket?

**KEVIN FISK:** Well, aftermarket, recycled parts which are salvage parts from we have salvage yard, salvage yards throughout the state, and then remanufactured parts where we take the original OEM part and refurbish it to bring it back like new. Rather than landfill, like we think that that's a good use the part. It cuts back on the cost of the repair, and again reduces insurance costs.

**JACOBSON:** And you said you've got a testing-- you do basically go through the testing for those that basically have sensors and that kind of thing to make sure that they are up to standards. Is that your--

**KEVIN FISK:** We do. We-- LKQ has its own testing facility and aftermarket quality assurance testing facility. It's actually less than half a mile away from Intertek, who also inspects aftermar-- inspects, tests, and certifies aftermarket parts. The purpose for our testing facility is so that we can go out to the different manufacturers, randomly pull-- we go into their manufacturing facility

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and we look at parts and we say, we want that one off that shelf there, we want that over there. So we, we go in there, we get those parts, and then we ship them back to Michigan so they can be tested in our facility to make sure that they're of the quality that we expect. If we find anything short of our expectations for the specifications for those parts, we have them shut that line down. They have to address that issue. Until they've proven that they've done that, and then we can go back and look at those parts again, we don't use them.

**JACOBSON:** OK. Thank you. Other questions from the committee? Seeing none, thank you for your testimony. I'd ask for the next opponent.

**KEVIN FISK:** Thank you.

**JACOBSON:** Ms. Gilbertson, how are you?

**KORBY GILBERTSON:** I'm great. Good afternoon, Chairman Jacobson, members of the committee. My name is Korby Gilbertson, that's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, appearing today as registered lobbyist on behalf of the American Property Casualty Insurance Association in opposition to LB111. This is a bill that we've seen in several iterations over the years, and we remain opposed to it in this most recent form. I'm having passed around to you a copy of Chapter 45, the Aftermarket Parts Regulation under the Department of Insurance. And if you look at the highlighted section of these rules that are currently in place in Nebraska that all insurers have to follow, you will note that pretty much everything that's in this legislation is already covered under this rule, and carries with it the potential for a violation of the Unfair Competition and Trade Practices Act. I'm not going to repeat what has already kind of been discussed about the parts, but I want to make sure everyone understands that this, this rule ensures that the aftermarket parts that are used are in like kind and quality to the original part in terms of fit, quality and performance. So if there's proof that those parts do not meet those qualifications, it is a violation of existing law. And the violation for those laws right now are either \$1,000 for each violation, up to fif-- up to a \$30,000 aggregate fine. If the violation is flagrant, meaning they knew that it was a bad part and they kept using it, the penalty can be up to \$15,000 for each violation, not to exceed an aggregate penalty of \$150,000. Furthermore, insurance companies can lose their license or certificate to do business in Nebraska, which I'm guessing those of you who have professional licenses understand the, the problem with that. Also, Senator Dungan brought up the potential of having a criminal sanction for this bill. Obviously, that's a concern when you're threatening companies with the highest

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level of misdemeanor. That's the same thing as having a controlled substance or certain levels of assault. So we would oppose it for those reasons as well. And I'm happy to answer any questions.

**JACOBSON:** Questions? All right, seeing none, thank you for testimony.

**KORBY GILBERTSON:** Thank you.

**JACOBSON:** Next opponent? Mr. Bell. How are you?

**ROBERT BELL:** I'm good. Good afternoon, Chairman Jacobson and members of the banking, Commerce and Insurance Committee. My name is Robert M. Bell, last name is spelled B-e-l-l. I'm the executive director and registered lobbyist for the Nebraska Insurance Federation. As you know, the Insurance Federation is the state trade association representing insurance, the insurance industry in Nebraska, including most of the top ten writers of auto insurance in the state. Korby kind of stole my thunder. If you want another copy of the regulation from the Department of Insurance that's been on the books since 1988, so just in case you think this is a new issue, it is not. It's been a long-term issue of the yin and the yang between the autobody industry and the insurance companies. We pay for something like 90% of all collision repairs, and so we have a vested interest in, in making sure that we get the best and, and-- the best product at the lowest price. And sometimes that is the OEM part, but sometimes that's the aftermarket part. Certainly our consumers, I was interested to hear that Nationwide was withdrawing from the auto market. I guess I didn't know that. But also that they had the, the endorsement that was mentioned. My understanding is that endorsement, or there's other just straight policies that will pay for OEM parts as well are available. But clearly they're experiences that consumers are not up, up-taking those, those policies are certainly nothing in Nebraska law that would prohibit that type of policy from being written in our state. One other thing I wanted to note, I think in 1975 it was, not that I remember 1975, I wasn't quite born yet, there was a federal law that passed called the Magnuson-Moss Warranty Act that got at warranties. And one of the provisions of that act is that you can't state in a, in a warranty that you would buy on a vehicle, a new vehicle that, that you bought, that it would be void if you used an aftermarket part, and that kind of kicked a logjam open on the OEM monopoly that was going on in the United States and, and opened it up to these, these other parts, so, these aftermarket types of parts. So with that, I, I don't have anything further to say other than that we are in strong opposition to LB111. Thank you.

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**JACOBSON:** Thank you for your testimony and for what it's worth, 1975 was a pretty good year.

**ROBERT BELL:** I'm a bicentennial baby, so.

**JACOBSON:** You missed out.

**ROBERT BELL:** I did.

**JACOBSON:** Questions from the committee? I, I guess let me go back a little bit to the question about available insurance. If I absolutely, positively want OEM parts on my vehicle, how many insurance companies can write that for me in Nebraska?

**ROBERT BELL:** I don't know. I mean, to be honest, I don't know that answer. I can look and see and ask my members if that's the question. If you absolutely want OEM parts on your vehicle, you are more than welcome to pay for those OEM parts. Oftentimes--

**JACOBSON:** To be clear, you can pay for them out of your pocket.

**ROBERT BELL:** Out of your pocket, or you can, you can pay for the additional cost related to the OEM parts.

**JACOBSON:** Right.

**ROBERT BELL:** That the insurer will pay for the aftermarket parts. And then on the, whatever the cost differential is, if there is a cost differential, then you pay for those-- that, that cost to the auto body shop.

**JACOBSON:** So the largest auto insurers in Nebraska is, and I'm trying to recall, is Farmers one of the largest Nebraska?

**ROBERT BELL:** Farmers Mu-- I believe State Farm is and I didn't check out these stats before I-- I believe State Farm is number one, and I believe Farmers Mutual of Nebraska is number two. There, there-- American Family is also a very large writers in insurance, Allstate, Progressive, Geico.

**JACOBSON:** If you could, we'd probably appreciate knowing whether or not--

**ROBERT BELL:** Sure.

**JACOBSON:** --those companies will write policies and what the premium differences are.

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**ROBERT BELL:** OK.

**JACOBSON:** All right. Thank you. Yes, Senator von Gillern. Or not, von Gillern, I'm, I'm sorry, [INAUDIBLE] you guys are sitting in different places. I do this all the time, so.

**BOSTAR:** Thank you, Chair. Mr. Bell.

**ROBERT BELL:** Hello.

**BOSTAR:** Happy belated birthday.

**ROBERT BELL:** Thank you again.

**BOSTAR:** So this-- the insurance department created regulations related to this--

**ROBERT BELL:** In 1988, yes.

**BOSTAR:** They could theoretically change them, remove them.

**ROBERT BELL:** Sure.

**BOSTAR:** Is there nothing that's worth putting in statute?

**ROBERT BELL:** That regulation in statute? Have I had that drafted before? It's certainly crossed my mind, so.

**BOSTAR:** I mean, I just wait-- I-- you know, this was-- Right, there were a couple testifiers that had this.

**ROBERT BELL:** Right.

**BOSTAR:** And understand that there are some things that this is covering. But also, you know, any time where we're leaning hard on regulations, I think it's a little precarious.

**ROBERT BELL:** Sure. No. Perhaps next year we'll, we'll bring a bill to adopt the, the reg-- the regulation in statute. So, the stat-- the stat--

**BOSTAR:** No time like the present.

**ROBERT BELL:** What's that?

**BOSTAR:** No time like the present.

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**ROBERT BELL:** Well, if the committee wants to discuss taking that DOI rule and make it into a statute, my, my industry would be open to such a discussion, so.

**JACOBSON:** We do have a shell bill.

**ROBERT BELL:** I heard that. You could use--

**BOSTAR:** Two.

**ROBERT BELL:** --LB111. Yeah. I don't know if this relates to the Uniform Commercial Code though. So--

**BOSTAR:** Thank you.

**ROBERT BELL:** You're welcome.

**JACOBSON:** Other questions from the committee? All right, seeing none, thanks for your testimony.

**ROBERT BELL:** You're welcome.

**JACOBSON:** Further opponents? Wants to testify as an opponent? All right. Anyone out there wants to testify in the neutral capacity? All right, seeing none, Senator Quick, you're welcome to close. There were, before you testify, or before you close, I want to point out there were two proponent letters, five opponent letters, zero neutral letters, and the committee did not receive any written ADA testimony regarding this bill.

**QUICK:** Thank you. Chairman Jacobson and members of the committee. I'm going to have to reach out to State Farm, I have State Farm, and ask them what their, what their policy is. I should know that, I have their po-- you know, I insure my cars with them. You know, really, this is a consumer protection bill for me. I think it's important for consumers to understand what they actually are getting on their-- when they're having a car repaired. I just think back, I, I had-- I got rear ended here a couple of years ago and I know I took my-- I have a 2020 Ford Escape and I took it in and had it repaired and they did a great job. But then I had trouble with the calibration on it. It kept coming up: can't calibrate, can't calibrate. So I finally had to go back to Anderson Ford. I think I was there a couple times before they got it corrected, but I don't know if it had to do with the parts or what it had to do with, but they had to recalibrate it several times, you know, to try to get it corrected. So that did makes me wonder, you know, what kind of part did I have on my car? You know, did a--was it

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an OEM part, or was it a, you know, a part that came off of another vehicle that had been in an accident, like you said, so. Yeah, I'm willing to work on some of the issues that were brought up, you know, on the, on the protections, you know, for the civil one what you brought up, you know, and then also, if there was any other things. We're willing to work on the bill to see if we can find some way we can find some compromise to at least make consumers aware of what's happening on their vehicles.

**JACOBSON:** Thank you. Questions for Senator Quick? All right, seeing none, thank you for your testifying, thank you for bringing the bill. And thank you, everyone who came in and testified today. I hope you can get back safely. This concludes our hearing on LB111. And we do, for the committee, we were planning to exec tomorrow. I didn't really--