



## Testimony of

### American Property Casualty Insurance Association (APCIA)

#### Senate Judiciary Proceedings Committee

#### Senate Bill 789 - Vehicle Laws--Automotive Repair Facilities--Advanced Driver Assistance Systems

March 4, 2026

#### **Unfavorable**

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 67.4% of the personal auto insurance market and 81.5% of the commercial auto policies in Maryland. APCIA supports consumer safety and agrees that repairs, diagnostics, scans, and calibrations should follow a validated and reliable standard to ensure vehicles are returned to safe operating conditions.

However, SB 789 goes beyond what is necessary for safety by requiring the use of any OEM recommendations, including those that are not technical in nature, or simply self-serving recommendations to use only the OEM's parts, or repair facilities. The processes in the bill would also be ripe for abuse by some repair facilities and serve only to drive up repair costs. APCIA opposes the legislation as counter to the interests of consumers who are worried about affordability.

Our concerns are explained in more detail below:

#### **1. Recommended vs. Required Procedures**

The bill treats all OEM recommendations and position statements as something they often are not. Many OEM recommendations reflect broad, risk-averse preferences rather than what is technically required to safely restore vehicle function. At worst, some OEM repair guidance are simply designed to sell its own parts or repair services from affiliated repair facilities.

#### **2. Mandatory Coverage for All OEM Recommendations**

SB 789 prohibits insurers from questioning or evaluating the necessity of guidance in OEM repair documents. This removes the ability to distinguish between essential safety requirements and optional recommendations, which may increase costs without improving safety outcomes.

#### **3. Restrictions on Safe, Industry-Accepted Alternatives**

The bill limits the use of proven, industry-recognized repair methods that safely restore vehicles to pre-loss condition when those methods differ from OEM guidance. This reduces flexibility and may discourage the use of cost-effective, safe alternatives widely accepted across the repair industry.

#### **4. Unclear Standards for Recalibrations and Diagnostics**

OEM documents often call for scans and recalibrations beyond what is technically required for proper system operation. The bill does not differentiate between technical and non-technical guidance, creating ambiguity around what is genuinely necessary for safe ADAS performance.

**5. Cost Increases from OEM-Only Tools and Processes**

Mandating adherence to OEM-specific procedures may significantly increase repair costs due to the need for proprietary tools, specialized equipment, subscription-based access, and environmental requirements. Many safe repairs can be performed using recognized non-OEM methods that do not require these additional expenses.

**6. Liability and Compliance Exposure**

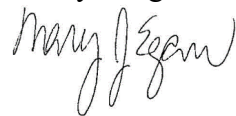
The bill categorizes deviations from OEM recommendations as unfair or deceptive trade practices. This creates substantial regulatory and legal risk, particularly when OEM documents themselves may not clearly distinguish between technical and non-technical guidance.

**7. Lack of Cost-Control Safeguards**

The bill imposes extensive obligations on insurers but includes no mechanism to ensure repair charges, labor times, diagnostic fees, and calibration costs remain reasonable. Without guardrails, consumers may face higher premiums and increased out-of-pocket expenses.

For these reasons, APCIA urges the Committee to provide an unfavorable report on Senate Bill 789.

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