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PCI Raises Concerns about Proposed Tariffs on Automobiles and Automotive Parts at Commerce Department Hearing

WASHINGTON — Robert Gordon, senior vice president of policy research and international at the Property Casualty Insurers Association of America (PCI) issued the following statement in response to today's U.S. Department of Commerce Hearing on Section 232 National Security Investigation of Imports of Automobiles and Automotive Parts.

"Tariffs on auto parts could have a significant adverse economic impact on consumers, automobile repair providers, businesses, and insurers," said Gordon. "Tariffs on auto parts could cost the consumers \$3.4 billion in personal auto insurance premiums alone."

"Increasing the price of automotive parts and causing disruption in the supply of auto replacement parts also could impede consumers from promptly repairing their vehicles and getting back on the road," continued Gordon.

Based on data from the U.S. Bureau of Economic Analysis, PCI estimates:

- The increase in costs as a result of tariffs could potentially be passed on to consumers in the form of \$3.4 billion in personal auto insurance premiums alone.
- 60% of auto parts used in the U.S. are imported.
- Proposed tariffs could raise auto repair costs by 2.7%.
- Additional costs could be impact commercial insureds and consumers who pay directly to repair their cars.

"Should the Administration impose restrictions on imports, we urge the Administration to exempt closely aligned markets that supply substantial percentages of U.S. auto part imports or to establish a process through which interested domestic parties can petition for product exemptions in a timely and transparent manner," concluded Gordon.

PCI, the American Insurance Association, and the National Association of Mutual Insurance Companies submitted written [comments](#).

PCI also joined with the Certified Automotive Parts Association (CAPA) to present a statement at the U.S. Department of Commerce hearing held today. The statement is attached.

PCI promotes and protects the viability of a competitive private insurance market for the benefit of consumers and insurers. PCI is composed of nearly 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write \$220 billion in annual premium, 37 percent of the nation's property casualty insurance. Member companies write 44 percent of the U.S. automobile insurance market, 30 percent of the homeowners market, 35 percent of the commercial property and liability market and 37 percent of the private workers compensation market.

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Related Information
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