

2018 -- S 2679 SUBSTITUTE A AS AMENDED

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LC005233/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO INSURANCE - MOTOR VEHICLE BODY REPLACEMENT PARTS

Introduced By: Senators Goodwin, Ruggerio, and McCaffrey

Date Introduced: March 20, 2018

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 27-10.2-1 and 27-10.2-2 of the General Laws in Chapter 27-10.2
2 entitled "Motor Vehicle Body Replacement Parts" are hereby amended to read as follows:

3 **27-10.2-1. Definitions.**

4 As used in this chapter:

5 (1) "Aftermarket part" means a motor vehicle ~~body~~ replacement part that is not an
6 original equipment manufacturer part; and

7 (2) "Original equipment manufacturer part" or "OEM part" means a motor vehicle ~~body~~
8 replacement part manufactured by the manufacturer of the motor vehicle being repaired.

9 **27-10.2-2. Aftermarket parts -- Time limit prohibition.**

10 (a) Whenever an insurance company, in adjusting a ~~first-party~~ claim for motor vehicle
11 physical damage, intends to specify the use of aftermarket parts, it shall notify the ~~insured~~ vehicle
12 owner in writing. Any auto body repair shop conducting business in the state of Rhode Island
13 shall not use non-original equipment manufactured (OEM) parts, also referred to as aftermarket
14 parts, in the repair of any person's automobile, without that person giving the repairer his or her
15 express written consent.

16 (b) No insurance company may require the use of aftermarket parts when negotiating
17 repairs with any repairer unless the repairer has written consent from the vehicle owner to install
18 aftermarket parts. The provisions of this section shall apply only to automobiles which are less
19 than ~~thirty (30)~~ forty-eight (48) months beyond the date of manufacture.

1 (c) For any automobile which is less than ~~thirty (30)~~ forty-eight (48) months beyond the
2 date of manufacture, the insurer and the auto body repairs shop must provide a written notice to
3 the vehicle owner that: (i) he or she may require the insurer to pay for and the auto body shop to
4 install "original equipment manufacturer parts" or "OEM parts" in the repair of a motor vehicle
5 ~~body replacement~~; or (ii) he or she may require the insurer to pay for and the auto body shop to
6 install "non-original equipment manufacturer parts" (non-"OEM parts") in the repair of a motor
7 vehicle ~~body replacement~~. To comply with this provision, written notice may be provided on the
8 appraisal written on behalf of the insurer and the estimate prepared by the auto body repair shop.
9 When "OEM part(s)" are used in the repair of a motor vehicle, no insurance company may
10 require any repairer to use repair procedures that are not in compliance with the recommendations
11 of the original equipment manufacturer.

12 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE - MOTOR VEHICLE BODY REPLACEMENT PARTS

1 This act would provide that insurance companies may not mandate the use of aftermarket
2 parts without consent of the vehicle owner in the repair of motor vehicles which are less than
3 forty-eight (48) months beyond the date of manufacture.

4 This act would take effect upon passage.

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