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H.362

Introduced by Representatives Botzow of Pownal and Marcotte of Coventry

Referred to Committee on

Date:

Subject: Insurance; automobile; aftermarket parts; regulation

Statement of purpose of bill as introduced: This bill proposes to regulate the use of aftermarket parts in automobile repairs covered by insurance.

An act relating to automobile insurance and aftermarket parts

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 8 V.S.A. § 4724a is added to read:

§ 4724a. AUTOMOBILE INSURANCE; AFTERMARKET PARTS

(a) Definitions. As used in this section:

(1) “Aftermarket parts” means sheet metal or plastic parts that generally constitute the exterior of a motor vehicle, including inner and outer panels.

(2) “Insurer” means a person licensed to issue any insurance policy or insurance contract in this State.

(3) “Nonoriginal manufacturer” means any manufacturer other than the original manufacturer of a part.

(b) No insurer shall require the use of aftermarket parts in the repair of an automobile unless the aftermarket part is at least equal in like, kind, and quality

1 to the original part in terms of fit, quality, and performance. An insurer that
2 requires the use of aftermarket parts shall consider and be liable for the cost of
3 any modifications that may become necessary when making a repair.

4 (c) An insurer shall identify clearly on the repair estimate all aftermarket
5 parts installed on a vehicle, if any. If aftermarket parts are installed, the insurer
6 shall disclose to the claimant in writing, either on the estimate or on a separate
7 document attached to the estimate, the following information in bold-faced,
8 capitalized font no smaller than twelve-point type:

9 THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF
10 NONORIGINAL MANUFACTURER PARTS. PARTS USED IN THE
11 REPAIR OF YOUR VEHICLE BY OTHER THAN THE ORIGINAL
12 MANUFACTURER, ALSO KNOWN AS AFTERMARKET PARTS, ARE
13 REQUIRED TO BE AT LEAST EQUAL IN LIKE, KIND, AND
14 QUALITY IN TERMS OF FIT, QUALITY, AND PERFORMANCE TO
15 THE ORIGINAL MANUFACTURER PARTS THEY ARE REPLACING.

16 (d) All aftermarket parts manufactured after January 1, 2014 shall carry
17 sufficient permanent identification so as to identify their manufacturer. Such
18 identification shall be accessible to the extent possible after installation.

19 (e) Aftermarket parts may not be required by an insurer in the repair of
20 automobiles placed in service during the two years immediately preceding the
21 claim report and which have 30,000 or fewer miles recorded on the odometer.

1 Sec. 2. EFFECTIVE DATE

2 This act shall take effect on passage and shall apply to all claims reported
3 on or after July 1, 2013.