2018 -- S 2679 SUBSTITUTE B

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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:

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

27-10.2-1. Definitions.
As used in this chapter:
(1) "Aftermarket part" means a motor vehicle body replacement part that is not an original equipment manufacturer part; and
(2) "Original equipment manufacturer part" or "OEM part" means a motor vehicle body replacement part manufactured by the manufacturer of the motor vehicle being repaired.

27-10.2-2. Aftermarket parts -- Time limit prohibition.
(a) Whenever an insurance company, in adjusting a first-party claim for motor vehicle physical damage, intends to specify the use of aftermarket parts, it shall notify the insured vehicle owner in writing. Any auto body repair shop conducting business in the state of Rhode Island shall not use non-original equipment manufactured (OEM) parts, also referred to as aftermarket parts, in the repair of any person's automobile, without that person giving the repairer his or her express written consent.

(b) No insurance company may require the use of aftermarket parts when negotiating repairs with any repairer unless the repairer has written consent from the vehicle owner to install aftermarket parts. The provisions of this section shall apply only to automobiles which are less than thirty (30) forty-eight (48) months beyond the date of manufacture.
(c) For any automobile which is less than thirty (30) forty-eight (48) months beyond the date of manufacture, the insurer and the auto body repairs shop must provide a written notice to the vehicle owner that: (i) he or she may require the insurer to pay for and the auto body shop to install "original equipment manufacturer parts" or "OEM parts" in the repair of a motor vehicle body replacement; or (ii) he or she may require the insurer to pay for and the auto body shop to install "non-original equipment manufacturer parts" (non-"OEM parts") in the repair of a motor vehicle body replacement. To comply with this provision, written notice may be provided on the appraisal written on behalf of the insurer and the estimate prepared by the auto body repair shop.

(d) When "OEM part(s)" are used in the repair of a motor vehicle, no insurance company may require any repairer to use repair procedures that are not in compliance with the recommendations of the original equipment manufacturer.

(e) This chapter shall not apply to the repair or replacement of motor vehicle glass performed by licensed motor vehicle glass repair shops pursuant to chapter 38.5 of title 5.

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

BY THE LEGISLATIVE COUNCIL

OF

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1 This act would amend provisions of the general laws relative to motor vehicle replacement parts and the use of aftermarket parts, time limits within which the use of aftermarket parts is permitted, notice to be provided when using aftermarket parts and specifies compliance standards for repair specifications which must be consistent with the manufacturers. This act would not apply to motor vehicle glass repair shops.

6 This act would take effect upon passage.

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