

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 973*

Short Title: Regulate Used Motor Vehicle Parts.

(Public)

Sponsors: Senators Weinstein; Cooper, Forrester, Hoyle, Odom, Rucho, and Wellons.

Referred to: Judiciary I.

April 15, 1999

A BILL TO BE ENTITLED

AN ACT TO REGULATE THE USE OF AFTERMARKET PARTS IN THE REPAIR
OF MOTOR VEHICLES.

The General Assembly of North Carolina enacts:

Section 1. Article 3 of Chapter 58 of the General Statutes is amended by
adding a new section to read:

**"§ 58-3-182. Motor vehicle repairs; selection of replacement parts; disclosure to
insureds.**

(a) No insurer shall require the use of an aftermarket part in the repair of a new
motor vehicle as a condition of payment under a policy covering damages to the motor
vehicle. No insurer shall require additional payment for the use of new and original
manufacturer equipment in repairing a new motor vehicle.

(b) No insurer shall require the use of an aftermarket part in the repair of a motor
vehicle that is not new as a condition of payment under a policy covering damages to the
motor vehicle unless the aftermarket part is at least equal to the original part in terms of
fit, quality, performance, and warranty. Insurers specifying the use of aftermarket parts
shall include in the estimate the costs of any modifications made necessary by the use of
aftermarket parts, including modifications necessary to attain satisfactory fit, finish, and
corrosion protection.

1 (c) Every insurer that writes motor vehicle insurance in this State and that intends
2 to require or specify the use of aftermarket parts must disclose to its policyholders in
3 writing, either in the policy or on a sticker attached thereto, the following information in
4 no smaller print than ten point type:

5 'IN THE REPAIR OF YOUR COVERED AUTO UNDER THE PHYSICAL DAMAGE
6 COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY
7 THE USE OF AUTOMOBILE PARTS NOT MADE BY THE ORIGINAL
8 MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN
9 TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE
10 ORIGINAL MANUFACTURER PARTS THEY REPLACE. UNDER THE LAWS OF
11 THIS STATE, IN THE REPAIR OF A VEHICLE LESS THAN THREE YEARS OLD,
12 YOU HAVE A CHOICE TO USE ORIGINAL MANUFACTURER PARTS OR
13 NONORIGINAL MANUFACTURER PARTS.'

14 An insurer must disclose to a claimant in writing, either on the estimate or on a
15 separate document attached to the estimate, the following information in no smaller print
16 than ten point type:

17 'THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF
18 AUTOMOBILE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER.
19 PARTS USED IN THE REPAIR OF YOUR VEHICLE BY OTHER THAN THE
20 ORIGINAL MANUFACTURER ARE REQUIRED TO BE AT LEAST EQUAL IN
21 TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE
22 ORIGINAL MANUFACTURER PARTS THEY ARE REPLACING.'

23 All aftermarket parts installed on a motor vehicle shall be clearly identified on the
24 estimate and invoice for the repair.

25 An automobile part not made by the original manufacturer shall have affixed or
26 inscribed on the part the logo or name of the manufacturer and, when practicable, the
27 logo or name of the manufacturer shall be visible.

28 (d) As used in this section:

29 (1) 'Aftermarket part' means a part made by a nonoriginal manufacturer.

30 (2) 'Claimant' means a first-party claimant or a third-party claimant.

31 (3) 'Insurer' includes any person authorized to represent the insurer with
32 respect to a claim and who is acting within the scope of the person's
33 authority.

34 (4) 'New motor vehicle' means a motor vehicle manufactured no longer than
35 three years prior to the date the claim is made for repair of the motor
36 vehicle.

37 (5) 'Nonoriginal manufacturer' means any manufacturer other than the
38 original manufacturer of a part.

39 (6) 'Part' means a sheet metal or plastic part that generally is a component
40 of the exterior of a motor vehicle, including an inner or outer panel.

41 (e) Any person who violates this section is subject to the applicable provisions of
42 G.S. 58-2-70 and G.S. 58-33-45."

1 Section 2. This act becomes effective October 1, 1999, and applies to
2 insurance policies made or renewed on or after that date.