



## 114th MAINE LEGISLATURE

## FIRST REGULAR SESSION - 1989

Legislative Document

No. 533

S.P. 217

In Senate, March 3, 1989

Reference to the Committee on Business Legislation suggested and ordered printed.

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JOY J. O'BRIEN Secretary of the Senate

Presented by Senator BALDACCI of Penobscot. Cosponsored by Representative JACKSON of Harrison.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-NINE

An Act Concerning Crash Parts Used to Repair Damaged Motor Vehicles.

1	Be it enacted by the People of the State of Maine as follows:
3	Sec.1. 24-A MRSA §2164-E is enacted to read:
5	<u>§2164-E. Aftermarket crash parts</u>
7 <sub>.</sub> 9	<b>1. Definitions.</b> "Crash part" and "aftermarket crash part" have the same meanings as provided in Title 29, section 2601-A.
11	2. Use. No insurer, domestic or foreign, or its agent or employee, may require, directly or indirectly, the use of an aftermarket crash part in the repair of an insured's motor vehicle, except as provided in Title 29, section 2604-A.
15	<u>3. Unfair claims practice. Violation of this section constitutes an unfair claims practice under section 2164-D.</u>
17 19	Sec.2. 29 MRSA §2601, as enacted by PL 1979, c. 698, §2, is repealed.
21	Sec. 3. 29 MRSA §2601-A is enacted to read:
23	<u>§2601-A. Definitions</u>
25 27	As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.
29	<b>1. Aftermarket crash part.</b> "Aftermarket crash part" means a crash part not made for or supplied by the original equipment manufacturer of the motor vehicle.
31 33 35	2. Crash part. "Crash part" means a replacement for any nonmechanical sheet metal or plastic part which generally constitutes the exterior of a motor vehicle, including inner and outer panels.
37 39	3. Customer. "Customer" means an individual, corporation or other legal entity, including an agent, who contracts with a repair facility for repair of a motor vehicle.
41	4. Flat rate. "Flat rate" means any method of calculating charges for labor that is not based upon the amount of time
43	actually spent repairing a motor vehicle.
45 47	5. Installer. "Installer" means a person who actually performs the work of replacing or repairing parts of a motor vehicle.
49	<b>6. Repair.</b> "Repair" means the examination, maintenance,
51	servicing, adjustment, improvement, replacement, removal or installation of any part of a motor vehicle, including body work

- 1 <u>and painting and incidental services such as storage and towing,</u> <u>but excluding the sale of motor fuel.</u>
- 7. Repair facility. "Repair facility" means an individual,
  5 corporation or other legal entity which repairs motor vehicles for the general public for compensation.
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Sec. 4. 29 MRSA §2604-A is enacted to read:

## <u>§2604-A. Aftermarket crash parts</u>

 Identification. Any aftermarket crash part used in this
 State after the effective date of this section shall have the logo or name of its manufacturer affixed or inscribed on the
 part. The manufacturer's logo or name shall be visible after installation whenever practicable.

2. Disclosure. Notwithstanding sections 2603 and 2604, no
 repair facility or installer may use an aftermarket crash part to repair a vehicle unless the customer is advised in writing and
 consents to the use of that part before repairs are made. Whenever any aftermarket crash part is intended for use by an
 insurer under Title 24-A, section 2164-E, the following must be disclosed to the insured:

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- A. A written estimate, which shall:
- (1) Clearly identify each aftermarket crash part,
  29 including the name of the manufacturer and country of origin for each part; and
- (2) Provide the cost of any modifications solely33attributable to the use of aftermarket crash parts that<br/>are necessary to attain satisfactory fit, finish and<br/>corrosion protection; and
  - B. A disclosure document, which shall contain the following information in 10 point or larger type and which shall be attached to the insured's copy of the estimate:

 41 "THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF CRASH PARTS SUPPLIED BY A SOURCE OTHER THAN THE MANUFACTURER OF
 43 YOUR MOTOR VEHICLE. THESE AFTERMARKET CRASH PARTS THEREFORE MAY VARY IN TERMS OF QUALITY, FIT, PERFORMANCE AND WARRANTY
 45 FROM THE ORIGINAL PARTS SUPPLIED ON THE VEHICLE. FAILURE OF THESE PARTS AND OTHER PARTS OF YOUR VEHICLE THAT ARE
 47 ATTRIBUTABLE TO THE USE OF AFTERMARKET CRASH PARTS MAY NOT BE COVERED BY YOUR VEHICLE MANUFACTURER'S WARRANTY."

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## STATEMENT OF FACT

This bill requires motor vehicle insurers and repairers to identify clearly in any written estimate concerning the repair of the exterior sheet metal or plastic parts of a damaged motor vehicle, each major replacement part to be used that is not made by the vehicle's original manufacturer. The bill also requires that a printed notice stating that the estimate is partly based on use of replacement parts not made by the original manufacturer be attached to the estimate and that a copy of both be given to the person requesting the estimate.

This bill also makes any violation of the notice requirement 15 by an insurer an unfair insurance claims practice, and by a repairer, an unfair trade practice.

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