

HOUSE BILL 1418

C4
HB 1258/16 – ECM

0lr1200

By: **Delegate Lisanti**

Introduced and read first time: February 7, 2020

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance – Replacement Parts for Damaged Motor**
3 **Vehicles**

4 FOR the purpose of requiring an insurer that issues or delivers in the State a policy of
5 motor vehicle liability insurance that provides coverage for the repair of physical
6 damage to the insured motor vehicle to provide in the policy that the insured has the
7 option of requiring repairs to be made to the insured motor vehicle using genuine
8 crash parts, certified aftermarket crash parts, or aftermarket crash parts;
9 authorizing an insured to consent in a certain manner to the use of certain
10 aftermarket crash parts; requiring that a certain provision appear in the policy in a
11 certain manner; providing for the application of certain provisions of this Act;
12 defining certain terms; providing for a delayed effective date; and generally relating
13 to repairs of damage to motor vehicles insured under policies of motor vehicle
14 liability insurance.

15 BY adding to
16 Article – Insurance
17 Section 27–908
18 Annotated Code of Maryland
19 (2017 Replacement Volume and 2019 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Insurance**

23 **27–908.**

24 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
25 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) “AFTERMARKET CRASH PARTS” MEANS CRASH PARTS:

(I) THAT ARE MANUFACTURED BY A PERSON OTHER THAN THE ORIGINAL MANUFACTURER OF THE MOTOR VEHICLE TO BE REPAIRED; AND

(II) FOR WHICH THE ORIGINAL MANUFACTURER OF THE MOTOR VEHICLE HAS NOT AUTHORIZED THE USE OF ITS NAME OR TRADEMARK BY THE MANUFACTURER OF THE CRASH PARTS.

(3) “CERTIFIED AFTERMARKET CRASH PARTS” MEANS CRASH PARTS THAT ARE:

(I) CERTIFIED TO STANDARDS:

1. ESTABLISHED AND MADE PUBLICLY AVAILABLE BY A NATIONALLY ACCREDITED DEVELOPER OF STANDARDS FOR CRASH PARTS THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE; AND

2. DEVELOPED IN A CONSENSUS–BASED PUBLIC FORUM THAT ALLOWS FOR PUBLIC COMMENT;

(II) SUBJECT TO REGULAR TESTING BY AN INDEPENDENT THIRD–PARTY TESTING FACILITY TO VALIDATE COMPLIANCE WITH THE STANDARDS DESCRIBED IN ITEM (I) OF THIS PARAGRAPH; AND

(III) IDENTIFIED BY A HIGHLY VISIBLE CERTIFICATION MARK WITH A NUMBER THAT IS:

1. UNIQUE TO A PARTICULAR CRASH PART; AND

2. DESIGNED TO MAINTAIN A RECORD OF THE CRASH PART SO THAT THE CRASH PART IS TRACEABLE TO THE ORIGINAL MANUFACTURER OF THE CRASH PART.

(4) (I) “CRASH PARTS” MEANS EXTERIOR OR INTERIOR SHEET METAL OR FIBERGLASS PANELS AND PARTS THAT FORM THE SUPERSTRUCTURE OR BODY OF A MOTOR VEHICLE.

(II) “CRASH PARTS” INCLUDES:

1. FENDERS;

2. BUMPERS;
3. DOOR PANELS;
4. HOODS;
5. GRILLS;
6. WHEEL WELLS; AND
7. FRONT AND REAR LAMP DISPLAY PANELS.

(5) "GENUINE CRASH PARTS" MEANS CRASH PARTS THAT ARE:

(I) MANUFACTURED BY OR FOR THE ORIGINAL MANUFACTURER OF THE MOTOR VEHICLE TO BE REPAIRED; AND

(II) AUTHORIZED TO CARRY THE NAME OR TRADEMARK OF THE ORIGINAL MANUFACTURER OF THE MOTOR VEHICLE.

(B) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, AN INSURER THAT ISSUES OR DELIVERS IN THE STATE A POLICY OF MOTOR VEHICLE LIABILITY INSURANCE THAT PROVIDES COVERAGE FOR THE REPAIR OF PHYSICAL DAMAGE TO THE INSURED MOTOR VEHICLE SHALL PROVIDE IN THE POLICY THAT THE INSURED HAS THE OPTION OF REQUIRING REPAIRS TO BE MADE TO THE INSURED MOTOR VEHICLE USING:

(I) GENUINE CRASH PARTS;

(II) CERTIFIED AFTERMARKET CRASH PARTS; OR

(III) AFTERMARKET CRASH PARTS.

(2) AN INSURED MAY CONSENT IN WRITING AT THE TIME OF REPAIR OF THE INSURED MOTOR VEHICLE TO THE USE OF AFTERMARKET CRASH PARTS OR CRASH PARTS THAT ARE NOT CERTIFIED AFTERMARKET CRASH PARTS.

(3) THE PROVISION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL APPEAR IN THE POLICY PROMINENTLY AND IN CLEAR, UNDERSTANDABLE LANGUAGE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

1 January 1, 2021.