

SENATE BILL NO. 132

INTRODUCED BY G. VANCE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING INSURERS TO PROVIDE DISCLOSURE REGARDING COVERAGE FOR AFTERMARKET MOTOR VEHICLE PARTS; AMENDING SECTION 33-23-204, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-23-204, MCA, is amended to read:

"33-23-204. Definitions. As used in this part, the following definitions apply:

(1) "Aftermarket part" means a part for a motor vehicle made by an entity other than the original equipment manufacturer or an approved affiliate. The term includes any recycled, remanufactured, or other part that is not new, including a part recycled or remanufactured by the original equipment manufacturer or an approved affiliate.

(2) (a) "Motor vehicle" means a vehicle propelled by its own power and designed primarily to transport persons or property upon on the highways of the state.

(b) The term does not include a bicycle, as defined in 61-8-102, an electric personal assistive mobility device, as defined in 61-1-101, and or a motorized nonstandard vehicle, as defined in 61-1-101.

(3) "Motor vehicle liability policy" means a policy of automobile or motor vehicle insurance against liability required under Title 61, chapter 6, parts 1 and 3, and all additional coverages included in or added to the policy by rider, endorsement, or otherwise, whether or not required under Title 61, including, without limitation, uninsured, underinsured, and medical payment coverages.

(4) "Original equipment manufacturer part" means a part for a motor vehicle manufactured by the original equipment manufacturer or an approved affiliate."

NEW SECTION. Section 2. Required disclaimer -- original equipment manufacturer parts -- aftermarket parts. (1) An insurer shall provide written disclosure to a consumer, acknowledged in writing by the consumer, before issuing, delivering, or accepting a premium for a motor vehicle liability policy if the insurer:

(a) requires the use of aftermarket parts in the repair of a motor vehicle under the motor vehicle liability

1 policy;

2 (b) may require the use of aftermarket parts as opposed to original equipment manufacturer parts in the
3 repair of a motor vehicle under the motor vehicle liability policy; or

4 (c) will not pay for repairing the motor vehicle with original equipment manufacturer parts as opposed
5 to aftermarket parts.

6 (2) The disclosure required under this section must inform the consumer that:

7 (a) the insurer requires or might require the use of aftermarket parts in the repair of a motor vehicle and
8 the insurer will not or might not pay for the use of original equipment manufacturer parts in the repair of a motor
9 vehicle under the motor vehicle liability policy;

10 (b) aftermarket parts are manufactured by an entity other than the original equipment manufacturer;

11 (c) the use of aftermarket parts might affect the original manufacturer's warranty or extended warranties;

12 and

13 (d) the use of the aftermarket parts might affect the lease agreement of a motor vehicle.

14 (3) An insurer who fails to provide the disclosure required under this section commits an unfair method
15 of competition or a deceptive act or practice in the business of insurance as provided in Title 33, chapter 18.

16 (4) An insurer must note when a consumer refuses to acknowledge the disclosure required under this
17 section.

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19 **NEW SECTION. Section 3. Codification instruction.** [Section 2] is intended to be codified as an
20 integral part of Title 33, chapter 23, part 2, and the provisions of Title 33, chapter 23, part 2, apply to [section 2].

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22 **NEW SECTION. Section 4. Effective date.** [This act] is effective January 1, 2016.

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24 **NEW SECTION. Section 5. Applicability.** [This act] applies to motor vehicle liability policies issued on
25 or after January 1, 2016.

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