

HOUSE BILL NO. 252

INTRODUCED BY J. BACHMEIER

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A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A REQUIREMENT FOR INSURERS TO COVER ORIGINAL EQUIPMENT MANUFACTURER PARTS; REQUIRING DISCLOSURE; REQUIRING CONSENT FOR THE USE OF NONORIGINAL EQUIPMENT MANUFACTURER PARTS; AND PROVIDING DEFINITIONS."

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

NEW SECTION. Section 1. Use of nonoriginal or original equipment manufacturer parts -- disclosure and consent. (1) An insurer may not directly or indirectly require the use of a nonoriginal equipment manufacturer part unless the nonoriginal part:

(a) carries sufficient permanent identification of its manufacturer, which must be positioned to be as accessible as possible after installation; and

(b) is at least equal in quality to the original equipment manufacturer part in terms of fit and performance. The cost of any modification potentially needed when making the repair is considered in determining the quality of the nonoriginal part.

(2) (a) An insurer may not directly or indirectly require the use of nonoriginal equipment manufacturer parts or accept any estimate or authorize any repair unless the consumer is advised that the consumer is not required to accept nonoriginal equipment manufacturer parts in the repair of the vehicle and the consumer consents in writing to the use of any nonoriginal parts, if applicable, before the repair is made.

(b) An insurer may not directly or indirectly require the consumer to pay any difference in price if the consumer elects to use original equipment manufacturer parts in the repair of the vehicle.

(3) (a) The consumer must be provided in writing, either on the repair estimate or on a separate document attached to the repair estimate, the following statement in at least 10-point type: "THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF AUTOMOBILE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. PARTS USED IN THE REPAIR OF THIS VEHICLE THAT ARE MADE BY OTHER THAN THE ORIGINAL MANUFACTURER ARE REQUIRED TO BE OF AT LEAST EQUAL QUALITY IN TERMS OF FIT AND PERFORMANCE TO THE ORIGINAL MANUFACTURER PARTS THEY ARE REPLACING".

(b) All nonoriginal equipment manufacturer parts to be installed on the vehicle must be clearly identified

1 on the repair estimate.

2 (4) As used in this section:

3 (a) "Nonoriginal equipment manufacturer" means an equipment manufacturer other than the original
4 equipment manufacturer of a part.

5 (b) "Part" refers to parts that generally constitute the exterior of a motor vehicle, including inner and outer
6 panels. The term does not include a tire, windshield, or window.

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8 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
9 integral part of Title 33, chapter 23, part 2, and the provisions of Title 33, chapter 23, part 2, apply to [section 1].

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