

2023 -- H 5731

LC001987

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO INSURANCE -- MOTOR VEHICLE REPLACEMENT PARTS

Introduced By: Representative William W. O'Brien

Date Introduced: February 21, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-10.2-1 of the General Laws in Chapter 27-10.2 entitled "Motor
2 Vehicle Replacement Parts" is hereby amended to read as follows:

3 **27-10.2-1. Definitions.**

4 As used in this chapter:

5 (1) "Aftermarket part" means a motor vehicle replacement part that is not an original
6 equipment manufacturer part; ~~and~~

7 (2) "Original equipment manufacturer part" or "OEM part" means a motor vehicle
8 replacement part manufactured by the manufacturer of the motor vehicle being repaired; and

9 (3) "Used part" means a motor vehicle replacement part that is a used original equipment
10 manufacturer part.

11 SECTION 2. Chapter 27-10.2 of the General Laws entitled "Motor Vehicle Replacement
12 Parts" is hereby amended by adding thereto the following section:

13 **27-10.2-4. Standards for use of used parts.**

14 Whenever used parts are used for repairs to physically damaged motor vehicles, the
15 following standards shall apply:

16 (1) The used parts shall be at least equal in kind and quality to the OEM parts in terms of
17 fit, quality, performance and warranty, and be from a vehicle of the same year or newer and have
18 the same or less mileage than the vehicle receiving the used part unless agreed to by the vehicle
19 owner;

1 (2) To the extent practical, an insurance company shall not require the use of multiple parts
2 distributors to provide parts for a single repair if the parts are available from a single vendor. Chosen
3 vendors must provide delivery unless agreed to by the vehicle owner;

4 (3) Insurers specifying the use of used parts shall make allowances for the reasonable cost
5 of any modifications to the parts which may become necessary when making the repair, and for the
6 cost of fitting, removing, returning, and/or handling used parts which do not result in the vehicle
7 being repaired to its condition prior to the loss;

8 (4) If the used part specified by the insurer does not result in the vehicle being repaired to
9 its condition prior to the loss, the insurer, within three (3) days of the auto body shop notifying the
10 appraiser or insurer, shall allow the auto body shop to source the part or specify the use of an OEM
11 part unless another agreement is reached between the insurer and the vehicle owner;

12 (5) The automobile body shop shall promptly notify the appraiser if the used part specified
13 by the insurer does not result in the vehicle being repaired to its condition prior to the loss and
14 permit the appraiser to reinspect the vehicle and make appropriate supplemental authorizations, if
15 necessary;

16 (6) The automobile body shop shall provide documentation of used parts, which do not
17 meet the requirements of this section, as reasonably requested by the insurer. The insurer shall be
18 permitted to exercise any available rights of recovery against the used parts distributor.

19 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO INSURANCE -- MOTOR VEHICLE REPLACEMENT PARTS

1 This act would define a used part and create standards for use of used parts in damaged
2 motor vehicles, for motor vehicle replacement parts.

3 This act would take effect upon passage.

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