

1 H.522

2 Introduced by Representative McCoy of Poultney

3 Referred to Committee on

4 Date:

5 Subject: Insurance; automobile; aftermarket parts; regulation

6 Statement of purpose of bill as introduced: This bill proposes to regulate the
7 use of aftermarket parts in automobile repairs covered by insurance.

8 An act relating to automobile insurance and aftermarket parts

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 Sec. 1. 8 V.S.A. § 4724a is added to read:

11 § 4724a. AUTOMOBILE INSURANCE; AFTERMARKET PARTS

12 (a) Definitions. As used in this section:

13 (1) “Aftermarket parts” means sheet metal or plastic parts that generally
14 constitute the exterior of a motor vehicle, including inner and outer panels.

15 (2) “Insurer” means a person licensed to issue any insurance policy or
16 insurance contract in this State.

17 (3) “Nonoriginal manufacturer” means any manufacturer other than the
18 original manufacturer of a part.

19 (b) An insurer shall not require the use of aftermarket parts in the repair of
20 an automobile unless the aftermarket part is at least equal in like, kind, and

1 quality to the original part in terms of fit, quality, and performance and has
2 been certified by the Certified Automotive Parts Association. An insurer that
3 requires the use of aftermarket parts shall consider and be liable for the cost of
4 any modifications that may become necessary when making a repair.

5 (c) An insurer shall identify clearly on the repair estimate all aftermarket
6 parts installed on a vehicle, if any. If aftermarket parts are installed, the insurer
7 shall disclose to the claimant in writing, either on the estimate or on a separate
8 document attached to the estimate, the following information in bold-faced,
9 capitalized font not smaller than 12-point type:

10 THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF
11 NONORIGINAL MANUFACTURER PARTS. PARTS USED IN THE
12 REPAIR OF YOUR VEHICLE BY OTHER THAN THE ORIGINAL
13 MANUFACTURER, ALSO KNOWN AS AFTERMARKET PARTS, ARE
14 REQUIRED TO BE AT LEAST EQUAL IN LIKE, KIND, AND
15 QUALITY IN TERMS OF FIT, QUALITY, AND PERFORMANCE TO
16 THE ORIGINAL MANUFACTURER PARTS THEY ARE REPLACING.

17 (d) All aftermarket parts manufactured after January 1, 2023 shall carry
18 sufficient permanent identification so as to identify their manufacturer. Such
19 identification shall be accessible to the extent possible after installation.

1 (e) Aftermarket parts may not be required by an insurer in the repair of
2 automobiles placed in service during the two years immediately preceding the
3 claim report and that have 30,000 or fewer miles recorded on the odometer.

4 Sec. 2. EFFECTIVE DATE

5 This act shall take effect on passage and shall apply to all claims reported
6 on or after July 1, 2022.