

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 107
Commerce Committee Substitute Adopted 4/17/03

Short Title: MV Insurers-No Mandate on Nonoriginal Parts.

(Public)

Sponsors:

Referred to:

February 20, 2003

A BILL TO BE ENTITLED

AN ACT REQUIRING AN INSURER TO DISCLOSE THE USE OF NONORIGINAL
CRASH REPAIR PARTS OR NONORIGINAL AUTO GLASS FOR MOTOR
VEHICLE REPAIRS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 58 of the General Statutes is amended by adding a
new section to read:

"§ 58-36-90. Use of nonoriginal crash repair parts.

(a) As used in this section, the following definitions apply:

(1) "Insurer" includes any person authorized to represent an insurer with
respect to a claim.

(2) "Nonoriginal crash repair part" means a part for a motor vehicle made
or remanufactured by a company other than the original manufacturer
or a licensed affiliate and is limited to only the following: metal,
fiberglass, or plastic motor vehicle crash repair parts; hood; fender;
radiator support; cowl panel; doors; roof; rocker panel; quarter panel;
trunk lid; and auto glass (including windshields).

(b) An insurer shall notify in writing the insured or claimant anytime that a
nonoriginal crash repair part or auto glass is to be installed.

(c) It is insurance fraud for an automobile repair facility or parts person to place a
nonoriginal crash repair part, nonoriginal windshield, or nonoriginal auto glass on a
motor vehicle and to submit an invoice for an original repair part.

(d) Any insurer or other person who has reason to believe that fraud has occurred
under this section shall report that fraud to the Commissioner for further action pursuant
to G.S. 58-2-160.

(e) A violation of the provisions of this act is punishable by a fine of two
thousand dollars (\$2,000)."

SECTION 2. Article 36 of Chapter 58 of the General Statutes is amended by
adding a new section to read:

1 "§ 58-36-41. Development of policy endorsement for exclusive use of original
2 equipment manufactured crash parts.

3 The Rate Bureau shall develop a policy endorsement to be filed with the
4 Commissioner for approval that permits policyholders to elect nonfleet private
5 passenger motor vehicle physical damage coverage specifying the exclusive use of
6 original equipment manufactured crash parts."

7 **SECTION 3.** This act becomes effective October 1, 2003.