

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 107

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

(Public)

Sponsors: Senator Carpenter.

Referred to: Commerce.

February 20, 2003

A BILL TO BE ENTITLED

AN ACT PROHIBITING AN INSURER FROM AUTHORIZING OR REQUIRING
THE USE OF NONORIGINAL CRASH REPAIR PARTS OR NONORIGINAL
AUTO GLASS FOR MOTOR VEHICLE REPAIRS WITHOUT THE WRITTEN
CONSENT FROM THE INSURED OR CLAIMANT.

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 may not authorize or require the use of a nonoriginal crash repair part on a motor vehicle that is five years old or newer without first obtaining the written consent of the insured or other claimant. The consent shall be verified by the insured's or other claimant's signature on the repair estimate, appraisal, or work order.

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

(d) It is insurance fraud for any insurer, 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.

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

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

6 **SECTION 2.** This act is effective when it becomes law.