

JAN 19 2018

S.B. NO. 2243

A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE REPAIRS.

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

1 SECTION 1. The legislature finds that motor vehicle owners
2 have the right to expect that their vehicles are repaired
3 properly following a collision. Proper repairs include the
4 installation of original equipment manufacturer parts, that is,
5 the parts that vehicle manufacturers have tested and engineered
6 to ensure proper fit, function, and most importantly, safety.
7 Repairing vehicles with original equipment manufacturer parts
8 helps to ensure the safety and proper performance of repaired
9 motor vehicles.

10 The legislature further finds that to reduce costs, some
11 insurance companies only pay for vehicle repairs made with
12 aftermarket parts, despite vehicle manufacturer recommendations
13 to the contrary. These aftermarket parts, also called non-
14 original equipment manufacturer parts or generic parts, are not
15 made by the original manufacturer and can be unsafe because they
16 are not crash-tested and are inferior to original equipment
17 manufacturer parts in fit and finish.



1 Furthermore, many motor vehicle insurers do not allow
2 insureds to decide whether repairs are made with aftermarket
3 parts or original equipment manufacturer parts, and they may in
4 fact refuse to reimburse insureds for the additional costs of
5 installing original equipment manufacturer parts, even when
6 necessary to restore a vehicle to its pre-collision condition.
7 This practice of the insurance industry has resulted in lawsuits
8 across the nation when aftermarket parts installed in repaired
9 vehicles have failed in subsequent collisions.

10 The purpose of this Act is to prohibit insurers from
11 charging insureds an additional fee for repairs that use
12 original equipment manufacturer parts if the vehicle
13 manufacturer has recommended that original equipment
14 manufacturer parts be used in the repair.

15 SECTION 2. Section 431:10C-313.6, Hawaii Revised Statutes,
16 is amended by amending subsection (a) to read as follows:

17 "(a) An insurer shall make available a choice to the
18 insured of authorizing a repair provider to utilize a like kind
19 and quality part of an equal or better quality than the original
20 equipment manufacturer part if ~~[such]~~ the part is available or
21 an original equipment manufacturer part for motor vehicle body



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1 repair work. If the insured or claimant chooses the use of an
 2 original equipment manufacturer part, the insured or claimant
 3 shall pay the additional cost of the original equipment
 4 manufacturer part that is in excess of the equivalent like kind
 5 and quality part, unless original equipment parts are required
 6 or recommended by the vehicle [~~manufacturer's warranty.~~]
 7 manufacturer."

8 SECTION 3. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.
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Report Title:

Motor Vehicle Insurance; Repair; Original Equipment Manufacturer Parts; Aftermarket Parts

Description:

Prohibits motor vehicle insurers from charging insureds an additional fee for repairs made with original equipment manufacturer parts if the vehicle manufacturer recommends original equipment manufacturer parts.

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