
DIGEST

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HB 559 Engrossed

2016 Regular Session

Pierre

Abstract: Provides for the prohibition of the use of non-OEM aftermarket parts at the direction of an insurer when the parts affect the operation of anti-lock brakes or airbags.

Present law defines "aftermarket crash part" as a replacement for any of the nonmechanical sheet metal or plastic parts which generally constitute the exterior of a motor vehicle, including inner and outer panels.

Proposed law changes present law by defining "aftermarket safety part" as a replacement for all or any portion of the anti-lock braking system or airbag restraint system. Proposed law prohibits the use of nonoriginal equipment manufacturer (non-OEM) aftermarket safety parts unless non-OEM parts are the only parts commercially available.

Present law requires that no insurer specify the use of non-OEM aftermarket crash parts in the repair of an insured's motor vehicle, nor shall a repair facility or installer use non-OEM aftermarket parts, unless the insured is so advised.

Proposed law changes present law by changing "insured" to "claimant" and applying the prohibition to any claimant.

Proposed law requires, when OEM aftermarket safety parts are not commercially available, before beginning repairs, the repair facility or installer must disclose in writing to the claimant each part that is unavailable and the fact that the estimate was prepared based on the use of safety parts supplied by a source other than the manufacturer of the claimant's vehicle.

Present law provides that violations of present law are enforced through the unfair trade practices provisions of present law (Insurance Code).

Proposed law retains present law and adds laws applicable to installers and repair facilities as enforcement provisions.

Effective January 1, 2017.

(Amends R.S. 51:2421-2425)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Clarify the term "anti-lock braking system".
3. Establish that a repair facility or installer is prohibited from using anything other than OEM aftermarket safety parts to repair unless those parts are not commercially available.
4. Provide that if OEM aftermarket safety parts are not commercially available, the repair facility or installer, not the insurer, must provide certain information to the claimant in writing before repairs begin including an estimate that clearly identifies each such part that is not commercially available.