

Amendment to SB 436

1 Amend the bill by replacing all after the enacting clause with the following:

2
3 1 After Market Parts; Disclosure Required. Amend RSA 407-D:4 to read as follows:

4 407-D:4 Disclosure.

5 **I.** The insurer shall disclose to the claimant in writing, either on the estimate or on a
6 separate document attached to the estimate, the following information in no smaller print than 10
7 point type:

8 This estimate has been prepared based on the use of automobile parts not made by the original
9 manufacturer. Parts used in the repair of your vehicle by other than the original manufacturer are
10 required to be at least equal in like kind and quality in terms of fit, quality, and performance to the
11 original manufacturer parts they are replacing.

12 **II.** All after market parts installed on the vehicle shall be clearly identified on the estimate
13 of such repair.

14 **III. Any insurer who fails to provide the precise statement in paragraph I shall be**
15 **prohibited from requesting or requiring the use of after market parts.**

16 2 New Section: Limitation on the Use of After Market Parts; New and Leased Vehicles. Amend
17 RSA 407-D by inserting after section 3 the following new section:

18 407-D:3-a Limitation on the Use of After Market Parts.

19 I. No insurer of private passenger automobiles shall require or specify the use of after
20 market parts on:

21 (a) Vehicles that have been placed in service within the immediately preceding 2 years
22 and that have 30,000 or fewer miles recorded on the odometer; or

23 (b) Leased vehicles if the lease provides that such parts will cause a diminution of the
24 residual value of such vehicle.

25 II. In this section, "specify" includes writing repair estimates on the basis of the cost of after
26 market parts or otherwise declining to pay for the cost of original equipment manufacturer
27 replacement parts.

28 3 New Paragraph; Enforcement. Amend RSA 407-D:5 by inserting after paragraph II the
29 following new paragraph:

30 III. Any person who installs an after market part may initiate a complaint on behalf of a
31 consumer for any violation of this chapter. Such complaint shall be processed in the normal course.
32 If the consumer does not independently pursue such complaint within 60 days, the complaint shall
33 be dismissed.

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1 4 Effective Date. This act shall take effect January 1, 2017.

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AMENDED ANALYSIS

This bill prohibits an insurer from requiring or specifying the use of after market parts as defined in RSA 407-D:1 on certain leased vehicles and vehicles that have been placed in service within the last 2 years and have fewer than 30,000 miles on the odometer. The bill enacts a portion of New Hampshire department of insurance bulletin INS No. 99-14-AB, dated September 20, 1999. The bill also permits the person who installs the after market part to initiate a complaint on behalf of the consumer for a violation of RSA 407-D.