RELATING TO MOTOR VEHICLE REPAIRS.

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

SECTION 1. Under Hawaii law, an insured may authorize a motor vehicle repair provider to use an "aftermarket part" or a like kind and quality part of an equal or better quality than the original, if available, or an original part for body repair work. If an insured chooses installation of an original equipment manufacturer part, the insured must pay the difference in cost between the aftermarket and original equipment manufacturer part unless original equipment parts are required by the vehicle's manufacturer's warranty. The price difference between the original equipment manufacturer and aftermarket parts can be considerable.

Several motor vehicle insurers already allow insureds, who prefer original equipment manufacturer parts, to indicate their preference. This enables consumers to choose appropriate coverage meeting their needs. Requiring motor vehicle insurers to provide consumers clear notice of this choice enables
consumers to make better decisions when purchasing motor vehicle insurance.

The purpose of this Act is to require insurers to clearly give consumers notice of the choice of whether to use an aftermarket part, if available, or an original equipment manufacturer part for motor vehicle body repair work, and that notice must be given at the time the insurer offers new or renewal motor vehicle policy coverage.

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

"(a) An insurer shall clearly make available a choice to the insured, at the time the insurer offers new or renewal motor vehicle policy coverage, of authorizing a repair provider to utilize a like kind and quality part of an equal or better quality than the original equipment manufacturer part if such part is available or an original equipment manufacturer part for motor vehicle body repair work. If the insured or claimant chooses the use of an original equipment manufacturer part, the insured or claimant shall pay the additional cost of the original equipment manufacturer part that is in excess of the
equivalent like kind and quality part, unless original equipment parts are required by the vehicle manufacturer's warranty."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2050.
Report Title:
Motor Vehicle Insurance; Repairs; Original Equipment Manufacturer Parts; Aftermarket Parts

Description:
Requires insurers to clearly give consumers notice of the choice of whether to use an aftermarket part, if available, or an original equipment manufacturer part for motor vehicle body repair work. (SB823 HD2)

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