

MAR 10 1999

TRANSPORTATION

HOUSE FILE
BY SCHRADER

605

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the use of replacement crash parts in motor
2 vehicles damaged in collisions and making a remedy applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 605

1 Section 1. Section 537B.4, Code 1999, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

4 537B.4 REPLACEMENT CRASH PARTS.

5 1. As used in this section:

6 a. "Motor vehicle" means a motor vehicle as defined in
7 section 321.1 which is subject to registration.

8 b. "New aftermarket replacement crash part" means a
9 replacement crash part which was not manufactured by the
10 original manufacturer of the motor vehicle or its licensees.

11 c. "New original equipment manufacturer replacement crash
12 part" means a replacement crash part that was manufactured by
13 the original manufacturer of the motor vehicle or its
14 licensees.

15 d. "Recycled or recyclable replacement crash part" means a
16 replacement crash part that has been removed from a salvage
17 motor vehicle and is recyclable.

18 e. "Remanufactured replacement crash part" means a
19 replacement crash part that has been returned to like-new
20 condition by repairing, remachining, or rebuilding the part.

21 f. "Repair facility" means a motor vehicle dealer, garage,
22 body shop, or other person that undertakes the repair of
23 collision damage to motor vehicles for a fee.

24 g. "Replacement crash part" means a replacement for any of
25 the parts typically replaced during the repair of a collision-
26 damaged motor vehicle including nonmechanical sheet metal or
27 plastic parts which generally constitute the exterior of a
28 motor vehicle.

29 2. a. An automobile insurer shall not require, directly
30 or indirectly, the use of a specific type of replacement crash
31 part for the repair of a collision-damaged motor vehicle
32 unless the insurer discloses the specific type of replacement
33 crash part required by the insurer to the owner of the motor
34 vehicle or the owner's authorized representative. An
35 automobile insurer shall not require, directly or indirectly,

1 the use of a specific type of replacement crash part other
2 than a new original equipment manufacturer replacement crash
3 part for the repair of a collision-damaged motor vehicle if
4 the model year of the motor vehicle is less than five years
5 old, counting from the date of completion of the manufacturing
6 of the motor vehicle.

7 b. A repair facility or an individual who actually repairs
8 a collision-damaged motor vehicle on behalf of a repair
9 facility shall not install any type of replacement crash part
10 unless the repair facility or individual installing the part
11 discloses in the estimate of repairs the type of replacement
12 crash part and obtains written authorization from the owner of
13 the motor vehicle or the owner's authorized representative.
14 The disclosure and written authorization shall be in twelve
15 point type or larger and attached to a copy of the collision
16 repair estimate and shall be in a form substantially as
17 follows:

18 REPLACEMENT CRASH PARTS DISCLOSURE AND AUTHORIZATION FORM

19 1. "Replacement crash parts" are the parts typically
20 replaced during the repair of a collision-damaged motor
21 vehicle. These parts include, but are not limited to,
22 nonmechanical sheet metal and plastic parts which generally
23 constitute the exterior of a motor vehicle such as fenders,
24 hoods, doors, bumper systems, and related structural
25 components.

26 2. The type(s) of replacement crash parts listed on your
27 estimate/repair order No. _____ (copy attached) are
28 from the categories checked below.

29 3. Warranties for the type(s) of replacement crash parts
30 listed below may be provided by the manufacture or distributor
31 of the replacement crash parts. Warranty coverage varies.
32 Ask your insurer or repair facility for specific, written
33 warranty information. Additional warranties for replacement
34 crash parts may be provided by _____.

35 4. Replacement Crash Parts Types:

1 _____. New Original Equipment Manufacturer Replacement Crash
2 Parts.

3 Parts which are made by the vehicle manufacturer or one of
4 its licensees. These parts maintain the original equipment
5 manufacture vehicle factory warranty for the replaced part and
6 any other adjoining or associated original equipment
7 manufacturer parts or systems.

8 _____. New Aftermarket Replacement Crash Parts.

9 Parts which are made by companies other than the original
10 motor vehicle manufacturer or its licensees. All parts in
11 this category are warranted by the distributor and/or
12 manufacturer of these parts.

13 _____. Recycled or Recyclable Replacement Crash Parts.

14 Used parts which have been removed from a salvage motor
15 vehicle. All parts in this category are warranted by the
16 salvage vendor.

17 _____. Remanufactured Replacement Crash Parts.

18 Parts which have been returned to like-new condition by
19 repairing, remachining, or rebuilding. All parts in this
20 category are warranted by the remanufacturer of the part.

21 I understand that my vehicle will be repaired using the
22 parts described above, and I authorize the repair facility to
23 install those parts.

24 _____

25 Customer Signature

Date

26 3. A replacement crash part other than a new original
27 equipment manufacturer replacement crash part or a recycled or
28 recyclable replacement crash part which was manufactured by
29 the original manufacturer of the motor vehicle or its
30 licensees shall have affixed or inscribed upon the part the
31 logo or name of its manufacturer. A repair facility
32 installing a replacement crash part other than a new original
33 equipment manufacturer replacement crash part on a motor
34 vehicle shall install the part so that the manufacturer's logo
35 or name is visible upon inspection after installation whenever

1 practicable.

2 4. It is a deceptive act or practice for a repair facility
3 or manufacturer or distributor of replacement crash parts to
4 fail to comply with the requirements of this section.

5 Sec. 2. Section 714.16, subsection 2, paragraph 1, Code
6 1999, is amended to read as follows:

7 1. It is an unlawful practice for a repair facility or
8 manufacturer or distributor of aftermarket replacement crash
9 parts, as defined in section 537B.4, to commit a deceptive act
10 or practice under chapter 537B.

11 EXPLANATION

12 This bill amends Code section 537B.4, relating to certain
13 replacement parts for motor vehicles. The bill adds
14 definitions for several different types of replacement parts
15 used in the repair of collision-damaged motor vehicles. These
16 definitions include new aftermarket replacement crash parts
17 not manufactured by the original motor vehicle manufacturer,
18 new original equipment manufacturer replacement crash parts
19 manufactured by the original motor vehicle manufacturer,
20 recycled or recyclable replacement crash parts removed from a
21 salvaged motor vehicle, and remanufactured replacement crash
22 parts which were returned to like-new condition by repairing,
23 remachining, or rebuilding.

24 The bill prohibits an automobile insurer from requiring the
25 use of a specific type of replacement crash part for the
26 repair of a collision-damaged motor vehicle unless the insurer
27 discloses such a requirement to the owner of the motor vehicle
28 or the owner's authorized representative. The bill also
29 prohibits an automobile insurer from requiring the use of a
30 specific type of replacement crash part other than a new
31 original equipment manufacturer replacement crash part for the
32 repair of a collision-damaged motor vehicle if the model year
33 of the motor vehicle is less than five years old.

34 The bill also prohibits the installation of a replacement
35 crash part by a repair facility unless the repair facility

1 discloses the type of replacement crash part to be used and
2 obtains written authorization from the owner of the motor
3 vehicle or the owner's authorized representative. The bill
4 also prescribes certain information which must be included in
5 the disclosure and written authorization form attached to the
6 collision repair estimate for a motor vehicle.

7 Currently, Code section 537B.4 defines "aftermarket crash
8 part" as a replacement for any of the nonmechanical sheet
9 metal or plastic parts which generally constitute the exterior
10 of a motor vehicle, including inner and outer panels, which
11 replacement is not manufactured or marketed by the original
12 equipment manufacturer of the motor vehicle. The section
13 currently prohibits the use of aftermarket crash parts in the
14 repair of a customer's motor vehicle unless the proposed use
15 is disclosed in the collision repair estimate given to the
16 customer and specifies language to be included in the
17 disclosure.

18 The bill modifies the requirement that an aftermarket crash
19 part, made by a manufacturer other than the original equipment
20 manufacturer and supplied for use in this state have the
21 manufacturer's logo or name affixed or inscribed upon the part
22 and the requirement that a repair facility install an
23 aftermarket crash part so that the manufacturer's name or logo
24 is visible upon inspection, to make these requirements
25 applicable to all replacement crash parts other than new
26 original equipment manufacturer replacement crash parts.

27 The bill also makes a corresponding change in Code section
28 714.16, relating to consumer frauds. A violation of the bill
29 is a deceptive act or practice which is subject to
30 investigation and action by the attorney general.

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