

AMENDED IN ASSEMBLY JUNE 15, 2010  
AMENDED IN ASSEMBLY MARCH 8, 2010  
AMENDED IN ASSEMBLY JANUARY 12, 2010  
AMENDED IN SENATE MARCH 31, 2009

**SENATE BILL**

**No. 350**

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**Introduced by Senator Yee**

February 25, 2009

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~~An act to repeal Sections 9875.1 and 9875.2 of, to repeal and add Section 9875 of, and to repeal Chapter 20.1 (commencing with Section 9875) of Division 3 of, the Business and Professions Code, and to add Section 790.20 to the Insurance Code, relating to~~ *An act to add Section 9875.15 to the Business and Professions Code, relating to aftermarket crash parts.*

LEGISLATIVE COUNSEL'S DIGEST

SB 350, as amended, Yee. Aftermarket crash parts.

Existing law prohibits an insurer from requiring the use of nonoriginal equipment manufacturer aftermarket crash parts in the repair of an insured's motor vehicle unless the consumer is advised in a written estimate before repairs are made that nonoriginal equipment manufacturer aftermarket crash parts will be used.

This bill would in addition prohibit the use of nonoriginal equipment manufacturer aftermarket crash parts unless specified requirements are met, including that those parts are at least equal to the original equipment manufacturer parts in terms of kind, quality, safety, fit, and performance; the insurer so warrants; the insurer pays the cost of any modifications to those parts necessary to effect the repair; and all original and nonoriginal equipment manufacturer aftermarket crash parts,

manufactured on or after January 1, 2011, when supplied by auto body repair shops contain specified identification.

Vote: majority. Appropriation: no. Fiscal committee: no.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 9875.15 is added to the Business and  
 2     Professions Code, to read:

3     9875.15. An insurer shall not require the use of nonoriginal  
 4     equipment manufacturer aftermarket crash parts in the repair of  
 5     an insured’s motor vehicle, unless all of the following requirements  
 6     are met:

7     (a) The parts are at least equal to the original equipment  
 8     manufacturer parts in terms of kind, quality, safety, fit, and  
 9     performance.

10    (b) The insurer specifying the use of nonoriginal equipment  
 11    manufacturer aftermarket crash parts shall pay the cost of any  
 12    modifications to the parts that may become necessary to effect the  
 13    repair.

14    (c) The insurer specifying the use of nonoriginal equipment  
 15    manufacturer aftermarket crash parts shall warrant that those  
 16    parts are of like kind, quality, safety, fit, and performance as  
 17    original equipment manufacturer aftermarket crash parts.

18    (d) All original and nonoriginal equipment manufacturer  
 19    aftermarket crash parts, manufactured on or after January 1, 2011,  
 20    when supplied by auto body repair shops, as defined in Section  
 21    9889.51 of the Business and Professions Code, shall carry  
 22    sufficient permanent, nonremovable identification so as to identify  
 23    the manufacturer. This identification shall be accessible to the  
 24    greatest extent possible after installation.

25    ~~SECTION 1. Section 9875 of the Business and Professions~~  
 26    ~~Code is repealed.~~

27    ~~SEC. 2. Section 9875 is added to the Business and Professions~~  
 28    ~~Code, to read:~~

29    ~~9875. (a) Provisions regulating the use of nonoriginal~~  
 30    ~~equipment manufacturer aftermarket crash parts in insured repair~~  
 31    ~~work are codified in Section 790.20 of the Insurance Code.~~

1 ~~(b) This chapter shall remain in effect only until January 1,~~  
2 ~~2013, and as of that date is repealed, unless a later enacted statute,~~  
3 ~~that is enacted before January 1, 2013, deletes or extends that date.~~

4 ~~SEC. 3. Section 9875.1 of the Business and Professions Code~~  
5 ~~is repealed.~~

6 ~~SEC. 4. Section 9875.2 of the Business and Professions Code~~  
7 ~~is repealed.~~

8 ~~SEC. 5. Section 790.20 is added to the Insurance Code, to read:~~

9 ~~790.20. (a) An insurer shall not require the use of nonoriginal~~  
10 ~~equipment manufacturer aftermarket crash parts in the repair of~~  
11 ~~an insured's motor vehicle, unless all of the following requirements~~  
12 ~~are met:~~

13 ~~(1) The parts are at least equal to the original equipment~~  
14 ~~manufacturer parts in terms of kind, quality, safety, fit, and~~  
15 ~~performance.~~

16 ~~(2) The insurer specifying the use of nonoriginal equipment~~  
17 ~~manufacturer aftermarket crash parts shall pay the cost of any~~  
18 ~~modifications to the parts that may become necessary to effect the~~  
19 ~~repair.~~

20 ~~(3) The insurer specifying the use of nonoriginal equipment~~  
21 ~~manufacturer aftermarket crash parts shall warrant that those parts~~  
22 ~~are of like kind, quality, safety, fit, and performance as original~~  
23 ~~equipment manufacturer aftermarket crash parts.~~

24 ~~(4) All original and nonoriginal equipment manufacturer~~  
25 ~~aftermarket crash parts, manufactured on or after January 1, 2011,~~  
26 ~~when supplied by auto body repair shops, as defined in Section~~  
27 ~~9889.51 of the Business and Professions Code, shall carry sufficient~~  
28 ~~permanent, nonremovable identification so as to identify the~~  
29 ~~manufacturer. This identification shall be accessible to the greatest~~  
30 ~~extent possible after installation.~~

31 ~~(b) An insurer shall not require the use of nonoriginal equipment~~  
32 ~~manufacturer aftermarket crash parts in the repair of an insured's~~  
33 ~~motor vehicle, unless the consumer is advised in a written estimate~~  
34 ~~of the use of nonoriginal equipment manufacturer aftermarket~~  
35 ~~crash parts before repairs are made. In all instances where~~  
36 ~~nonoriginal equipment manufacturer aftermarket crash parts are~~  
37 ~~intended for use by an insurer:~~

38 ~~(1) The written estimate shall clearly identify each part with the~~  
39 ~~name of its nonoriginal equipment manufacturer or distributor.~~

1     ~~(2) A disclosure document containing the following information~~  
2 ~~in 10-point type or larger type shall be attached to the insured's~~  
3 ~~copy of the estimate: "This estimate has been prepared based on~~  
4 ~~the use of crash parts supplied by a source other than the~~  
5 ~~manufacturer of your motor vehicle. Any warranties applicable to~~  
6 ~~these replacement parts are provided by the manufacturer or~~  
7 ~~distributor of the parts, rather than by the original manufacturer~~  
8 ~~of your vehicle."~~

9     ~~(e) For purposes of this section, the following definitions shall~~  
10 ~~apply:~~

11     ~~(1) "Aftermarket crash part" means a replacement for any of~~  
12 ~~the nonmechanical sheet metal or plastic parts that generally~~  
13 ~~constitute the exterior of a motor vehicle, including inner and outer~~  
14 ~~panels.~~

15     ~~(2) "Insurer" includes an insurance company and any person~~  
16 ~~authorized to represent the insurer with respect to a claim.~~

17     ~~(3) "Nonoriginal equipment manufacturer aftermarket crash~~  
18 ~~part" means aftermarket crash parts not made for or by the~~  
19 ~~manufacturer of the motor vehicle.~~

20     ~~(d) Any violation of this section shall be enforced pursuant to~~  
21 ~~Section 790.06.~~