

# HOUSE BILL 1311

C4, I3

4lr1726

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By: **Delegate Impallaria**

Introduced and read first time: February 7, 2014

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance – Aftermarket Parts – Warranty Requirements**

3 FOR the purpose of requiring an insurer that requires, in a policy of motor vehicle  
4 insurance issued or delivered by the insurer, that aftermarket parts be used for  
5 the repair of the insured motor vehicle to provide to the insured a certain  
6 express written warranty; requiring the warranty to include certain coverage  
7 and have a certain duration; establishing that an automotive repair facility is  
8 not liable for a certain breach of the warranty under certain circumstances;  
9 establishing that an automotive repair facility may be held liable for certain  
10 acts or omissions under certain circumstances; requiring certain insurers to  
11 cover certain costs if a certain part does not conform to the warranty under  
12 certain circumstances; defining certain terms; and generally relating to motor  
13 vehicle insurance and the repair of motor vehicles.

14 BY adding to

15 Article – Insurance

16 Section 27–906.1

17 Annotated Code of Maryland

18 (2011 Replacement Volume and 2013 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Insurance**

22 **27–906.1.**

23 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
24 **MEANINGS INDICATED.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(2) “AFTERMARKET PART” MEANS A PART:**

2                   **(I) THAT IS MANUFACTURED BY A PERSON OTHER THAN**  
3 **THE ORIGINAL MANUFACTURER OF THE MOTOR VEHICLE TO BE REPAIRED; AND**

4                   **(II) FOR WHICH THE ORIGINAL MANUFACTURER OF THE**  
5 **MOTOR VEHICLE HAS NOT AUTHORIZED THE USE OF ITS NAME OR TRADEMARK**  
6 **BY THE MANUFACTURER OF THE PART.**

7           **(3) “AUTOMOTIVE REPAIR FACILITY” HAS THE MEANING STATED**  
8 **IN § 14-1001 OF THE COMMERCIAL LAW ARTICLE.**

9           **(4) “GENUINE PART” MEANS A PART THAT IS:**

10                   **(I) MANUFACTURED BY OR FOR THE ORIGINAL**  
11 **MANUFACTURER OF THE MOTOR VEHICLE TO BE REPAIRED;**

12                   **(II) AUTHORIZED TO CARRY THE NAME OR TRADEMARK OF**  
13 **THE ORIGINAL MANUFACTURER OF THE MOTOR VEHICLE; AND**

14                   **(III) AVAILABLE FOR PURCHASE FOR THE REPAIR OF A**  
15 **MOTOR VEHICLE.**

16           **(5) “INSURER” MEANS AN INSURER THAT ISSUES OR DELIVERS A**  
17 **POLICY OF MOTOR VEHICLE INSURANCE IN THE STATE.**

18           **(6) “MOTOR VEHICLE” MEANS:**

19                   **(I) A PASSENGER CAR AS DEFINED IN § 11-144.1 OF THE**  
20 **TRANSPORTATION ARTICLE; AND**

21                   **(II) A MOTORCYCLE AS DEFINED IN § 11-136 OF THE**  
22 **TRANSPORTATION ARTICLE.**

23           **(B) (1) AN INSURER THAT REQUIRES IN A POLICY OF MOTOR VEHICLE**  
24 **INSURANCE THE USE OF AFTERMARKET PARTS FOR THE REPAIR OF THE MOTOR**  
25 **VEHICLE COVERED UNDER THE POLICY SHALL PROVIDE TO THE INSURED AN**  
26 **EXPRESS WRITTEN WARRANTY THAT ANY AFTERMARKET PARTS USED FOR THE**  
27 **REPAIR OF THE MOTOR VEHICLE ARE MERCHANTABLE.**

28           **(2) SUBJECT TO SUBSECTION (C)(2) OF THIS SECTION, THE**  
29 **EXPRESS WARRANTY SHALL INCLUDE LABOR PROVIDED BY AN AUTOMOTIVE**

1 REPAIR FACILITY TO INSTALL THE AFTERMARKET PARTS IN THE REPAIR OF THE  
2 MOTOR VEHICLE.

3 (3) THE DURATION OF THE EXPRESS WARRANTY UNDER THIS  
4 SUBSECTION SHALL BE 1 YEAR AFTER THE REPAIR OF THE MOTOR VEHICLE IS  
5 COMPLETED OR THE LENGTH OF OWNERSHIP OF THE MOTOR VEHICLE,  
6 WHICHEVER IS LONGER.

7 (C) (1) AN AUTOMOTIVE REPAIR FACILITY THAT REPAIRS A MOTOR  
8 VEHICLE USING AFTERMARKET PARTS AS REQUIRED UNDER A POLICY OF  
9 MOTOR VEHICLE INSURANCE IS NOT LIABLE FOR ANY BREACH OF THE EXPRESS  
10 WARRANTY REQUIRED UNDER SUBSECTION (B) OF THIS SECTION.

11 (2) AN AUTOMOTIVE REPAIR FACILITY MAY BE HELD LIABLE FOR  
12 ANY NEGLIGENT ACTS OR OMISSIONS IN THE INSTALLATION OF AFTERMARKET  
13 PARTS COVERED UNDER THE EXPRESS WARRANTY REQUIRED UNDER  
14 SUBSECTION (B) OF THIS SECTION.

15 (D) (1) IF AN AFTERMARKET PART DOES NOT CONFORM TO THE  
16 EXPRESS WARRANTY REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, THE  
17 INSURER SHALL COVER THE COST OF A REPLACEMENT PART AND ANY LABOR  
18 REQUIRED TO INSTALL THE PART.

19 (2) IF THE REPLACEMENT PART INSTALLED UNDER PARAGRAPH  
20 (1) OF THIS SUBSECTION IS AN AFTERMARKET PART AND THE REPLACEMENT  
21 PART DOES NOT CONFORM TO THE EXPRESS WARRANTY REQUIRED UNDER  
22 SUBSECTION (B) OF THIS SECTION, THE INSURER SHALL COVER THE COST OF A  
23 GENUINE PART TO REPLACE THE AFTERMARKET PART AND ANY LABOR  
24 REQUIRED TO INSTALL THE GENUINE PART.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 October 1, 2014.