
By: **Senators Teitelbaum, Astle, Bromwell, Collins, DeGrange, Dorman,
Exum, Hafer, Kelley, and Sfikas**

Introduced and read first time: January 29, 2001

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Coverage for Replacement Parts**

3 FOR the purpose of requiring an insurer that issues or delivers in the State a policy
4 of motor vehicle liability insurance that provides coverage for the repair of
5 physical damage to the insured motor vehicle to disclose in a certain manner
6 whether coverage under the policy is limited to the use of used, reconditioned, or
7 imitation replacement parts for repairs made to the insured motor vehicle;
8 authorizing the insurer under certain circumstances to offer the option of
9 purchasing additional coverage for the use of new replacement parts for repairs
10 made to the insured motor vehicle; and generally relating to coverage for
11 replacement parts under motor vehicle liability insurance policies.

12 BY adding to
13 Article - Insurance
14 Section 27-914
15 Annotated Code of Maryland
16 (1997 Volume and 2000 Supplement)

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

19 **Article - Insurance**

20 27-914.

21 AN INSURER THAT ISSUES OR DELIVERS IN THE STATE A POLICY OF MOTOR
22 VEHICLE LIABILITY INSURANCE THAT PROVIDES COVERAGE FOR THE REPAIR OF
23 PHYSICAL DAMAGE TO THE INSURED MOTOR VEHICLE:

24 (1) SHALL DISCLOSE, IN 10 POINT BOLDFACE TYPE, ON THE FACE OF
25 THE POLICY AND IN A CONSPICUOUS LOCATION ON ANY RELATED BINDER,
26 BROCHURE, OR OTHER WRITTEN MATERIALS, WHETHER COVERAGE UNDER THE
27 POLICY IS LIMITED TO THE USE OF USED, RECONDITIONED, OR IMITATION
28 REPLACEMENT PARTS FOR REPAIRS MADE TO THE INSURED MOTOR VEHICLE; AND

1 (2) IF COVERAGE IS LIMITED TO THE USE OF USED, RECONDITIONED, OR
2 IMITATION REPLACEMENT PARTS, MAY OFFER THE OPTION OF PURCHASING
3 ADDITIONAL COVERAGE FOR THE USE OF NEW ORIGINAL EQUIPMENT
4 MANUFACTURED PARTS, OR COMPARABLE NEW REPLACEMENT PARTS, FOR REPAIRS
5 MADE TO THE INSURED MOTOR VEHICLE.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2001.