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

Introduced and read first time: January 29, 2001

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2001

CHAPTER _____

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; that the insurer is allowed to use~~
11 reconditioned, aftermarket, or non-original equipment manufacturer parts in
12 making repairs to the insured motor vehicle; and generally relating to coverage
13 for replacement parts under motor vehicle liability insurance policies.

14 BY adding to
15 Article - Insurance
16 Section 27-914
17 Annotated Code of Maryland
18 (1997 Volume and 2000 Supplement)

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

1

Article - Insurance

2 27-914.

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

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

11 ~~(2) IF COVERAGE IS LIMITED TO THE USE OF USED, RECONDITIONED, OR
12 IMITATION REPLACEMENT PARTS, MAY OFFER THE OPTION OF PURCHASING
13 ADDITIONAL COVERAGE FOR THE USE OF NEW ORIGINAL EQUIPMENT
14 MANUFACTURED PARTS, OR COMPARABLE NEW REPLACEMENT PARTS, FOR REPAIRS
15 MADE TO THE INSURED MOTOR VEHICLE SHALL DISCLOSE, IN 10 POINT BOLDFACE
16 TYPE, IN A CONSPICUOUS LOCATION DETERMINED BY THE COMMISSIONER, ON THE
17 POLICY AND ON ANY RELATED BINDER OR BROCHURE, THAT THE INSURER IS
18 ALLOWED TO USE RECONDITIONED, AFTERMARKET, OR NON-ORIGINAL EQUIPMENT
19 MANUFACTURER PARTS IN MAKING REPAIRS TO THE INSURED MOTOR VEHICLE.~~

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