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# A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE REPAIRS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Under Hawaii law, an insured may authorize a  
2 motor vehicle repair provider to use an "aftermarket part" or a  
3 like kind and quality part of an equal or better quality than  
4 the original, if available, or an original part for body repair  
5 work. If an insured chooses installation of an original  
6 equipment manufacturer part, the insured must pay the difference  
7 in cost between the aftermarket and original equipment  
8 manufacturer part unless original equipment parts are required  
9 by the vehicle's manufacturer's warranty. The price difference  
10 between the original equipment manufacturer and aftermarket  
11 parts can be considerable.

12           Several motor vehicle insurers already allow insureds, who  
13 prefer original equipment manufacturer parts, to indicate their  
14 preference. This enables consumers to choose appropriate  
15 coverage meeting their needs. Requiring motor vehicle insurers  
16 to provide consumers clear notice of this choice enables



1 consumers to make better decisions when purchasing motor vehicle  
2 insurance.

3 The purpose of this Act is to:

4 (1) Require insurers to clearly give consumers notice of  
5 the choice of whether to use an aftermarket part, if  
6 available, or an original equipment manufacturer part  
7 for motor vehicle body repair work, and that notice  
8 must be given at the time the insurer offers new or  
9 renewal motor vehicle policy coverage; and

10 (2) Require the legislative reference bureau to study the  
11 safety hazards of aftermarket parts, licensure of  
12 motor vehicle body repair shops, and the fiscal  
13 impacts this Act will have on consumers.

14 SECTION 2. Section 431:10C-313.6, Hawaii Revised Statutes,  
15 is amended by amending subsection (a) to read as follows:

16 "(a) An insurer shall clearly make available a choice to  
17 the insured, at the time the insurer offers new or renewal motor  
18 vehicle policy coverage, of authorizing a repair provider to  
19 utilize a like kind and quality part of an equal or better  
20 quality than the original equipment manufacturer part if such  
21 part is available or an original equipment manufacturer part for



1 motor vehicle body repair work. If the insured or claimant  
2 chooses the use of an original equipment manufacturer part, the  
3 insured or claimant shall pay the additional cost of the  
4 original equipment manufacturer part that is in excess of the  
5 equivalent like kind and quality part, unless original equipment  
6 parts are required by the vehicle manufacturer's warranty."

7 SECTION 3. (a) The legislative reference bureau shall  
8 conduct a study to determine whether:

9 (1) The use of aftermarket parts pose any safety hazards  
10 to consumers if they are installed properly;

11 (2) Motor vehicle body repair shops should be licensed by  
12 the State; and

13 (3) The provisions as required by this Act will require  
14 consumers to pay higher insurance prices.

15 (b) The legislative reference bureau shall submit a report  
16 of its findings and recommendations, including any proposed  
17 legislation, to the legislature no later than twenty days prior  
18 to the convening of the regular session of 2020.

19 SECTION 4. New statutory material is underscored.

20 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Motor Vehicle Insurance; Repairs; Original Equipment  
Manufacturer Parts; Aftermarket Parts; Legislative Reference  
Bureau; Study

**Description:**

Requires insurers to clearly give consumers notice of the choice of whether to use an aftermarket part, if available, or an original equipment manufacturer part for motor vehicle body repair work. Requires the Legislative Reference Bureau to study the safety hazards of aftermarket parts, licensure of motor vehicle body repair shops, and impacts of requiring insurers to give consumers notice as required by this measure. (SB823 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

