

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1332

Introduced by

Representatives Wald, Carlson, Keiser, F. Klein, Skarphol

1 A BILL for an Act to create and enact five new sections to chapter 51-07 of the North Dakota
2 Century Code, relating to certified aftermarket crash parts; and to provide an effective date.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** Five new sections to chapter 51-07 of the North Dakota Century Code are
5 created and enacted as follows:

6 **Definitions.** As used in section 1 of this Act, unless the context otherwise requires:

- 7 1. "Aftermarket crash part" means a motor vehicle replacement part, manufactured
8 by other than the original equipment manufacturer, for any of the nonmechanical
9 parts made of sheet metal, plastic, fiberglass, or of similar material which generally
10 constitute the exterior of a motor vehicle, including an outer panel, hood, fender,
11 door, trunk lid, and any exterior covering of bumpers but not including a window or
12 hubcap. These categories may be expanded as new certification standards are
13 developed by an independent third-party certifier.
- 14 2. "Car company" means a motor vehicle manufacturer or distributor that produces or
15 markets, under its own name, crash parts for use in motor vehicles that it
16 manufactures or distributes under its own name.
- 17 3. "Certified aftermarket crash part" means an aftermarket crash part for which a
18 certification has been issued by an independent third-party certifier.
- 19 4. "Independent third-party certifier" means a person not affiliated with any car
20 company or noncar company manufacturer of aftermarket crash parts which
21 inspects, tests, and validates aftermarket crash parts as being equivalent to or
22 exceeding original equipment manufacturer parts in terms of fit, finish, quality, and
23 performance.

- 1 5. "Insurer" means an insurance company and any person authorized to represent
2 the insurer with respect to a claim and who is acting within the scope of the
3 person's authority.
- 4 6. "Noncar company" or "independent manufacturer" means a manufacturer or
5 distributor that produces or markets, under its own name, crash parts for use in
6 motor vehicles that it does not manufacture or distribute.
- 7 7. "Repair facility" means a motor vehicle dealer, garage, body shop, or other
8 commercial entity which undertakes the repair or replacement of those parts that
9 generally constitute the exterior of the motor vehicle.

10 **Independent third-party certifier.** An independent third-party certifier shall register
11 with the insurance commissioner. To be eligible to register, an independent third-party certifier
12 must be accredited by the American national standards institute and have accreditation to all
13 international organization for standardization guides for laboratories, products certification,
14 quality system registration, and standards development.

15 **Use of certified aftermarket crash parts.** A noncar company aftermarket crash part
16 that is used to repair a motor vehicle and is certified by a registered independent third-party
17 certifier is presumed to be of like kind and quality. However, the sole source of like kind and
18 quality parts for a motor vehicle less than two years old is new original equipment
19 manufactured replacement crash parts unless the customer consents in writing to use
20 aftermarket parts.

21 **Notification.** An insurer that requires a policyholder to repair a damaged motor vehicle
22 with certified aftermarket crash parts shall warranty the certified aftermarket crash parts. In all
23 instances the written estimate prepared by the insurer or the repair facility, or both, must
24 identify the manufacturer of each part so long as that manufacturer can be identified by
25 automated processes or through the manufacturer's warranty. A notification must be attached
26 to, or included in, the estimate and must contain the following information in no smaller than
27 twelve-point type: "This estimate has been prepared based on the use of crash parts supplied
28 by the manufacturer of your vehicle or certified aftermarket crash parts supplied by an
29 independent manufacturer. All aftermarket crash parts used in the preparation of this estimate
30 are warranted by the insurer for which the estimate was written."

1 **Leased and financed vehicles.** A person may not impose any penalty upon an
2 individual leasing or financing a motor vehicle that repairs the vehicle using certified aftermarket
3 crash parts.

4 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on January 1, 2004.