

## **Title 210 - NEBRASKA DEPARTMENT OF INSURANCE**

### **Chapter 45 - AFTER MARKET PARTS REGULATION**

**001. Authority.** This regulation is adopted pursuant to the Unfair Competition and Trade Practices Act, Neb.Rev.Stat. '44-1522, et seq.

**002. Purpose.** The purpose of this proposed regulation is to set forth standards for the prompt, fair and equitable settlements applicable to automobile insurance with regard to the use of after market parts. It is intended to regulate the use of after market parts in automobile damage repairs which insurers pay for on their insured's vehicle. The regulation requires disclosure when any use is proposed of a non-original manufacturer part. It also requires that all after market parts, as defined in the regulation, be identified and be of the same quality as the original part.

#### **003. Definitions.**

003.01 A Insurer@ includes any person authorized to present the insurer with respect to a claim who is acting within the scope of the person's authority.

003.02 A Non-Original Manufacturer@ means any manufacturer other than the original manufacturer of the part.

003.03 A After market part@ for purpose of this regulation, means sheet metal or plastic parts which generally constitute the exterior of a motor vehicle, including inner and outer panels.

**004. Identification.** All after market parts, which are subject to this regulation and manufactured after the effective date of this regulation, shall carry sufficient permanent identification so as to identify its manufacturer. Such identification shall be accessible to the extent possible after installation.

**005. Like kind and quality.** No insurer shall require the use of after market parts in the repair of an automobile unless the after market part is at least equal in like, kind, and quality to the original part in terms of fit, quality and performance. Insurers specifying the use of after market parts shall consider the cost of any modifications which may become necessary when making the repair.

**006. Disclosure.** The insurer must disclose to the claimant in writing, either on the estimate or on a separate document attached to the estimate, the following information in no smaller print than 10 point type:

THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF AUTOMOBILE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. PARTS USED IN THE REPAIR OF YOUR VEHICLE BY OTHER THAN THE ORIGINAL MANUFACTURER ARE REQUIRED TO BE AT LEAST EQUAL IN LIKE, KIND AND QUALITY IN TERMS OF FIT, QUALITY AND PERFORMANCE TO THE ORIGINAL MANUFACTURER PARTS THEY ARE REPLACING.

All after market parts installed on the vehicle shall be clearly identified on the estimate of such repair.

**007. Enforcement.** Violations of this regulation shall be enforced through the Unfair

Competition and Trade Practices Act, Neb.Rev.Stat. '44-1522 et seq.

**008. Severability.** If any section or portion of a section of this regulation, or the applicability thereof to any person or circumstance is held invalid by a court, the remainder of this regulation, or the applicability of such provision with a person shall not be affected thereby.

**009. Effective date.** This regulation shall become effective on January 1, 1988.