

As Introduced

136th General Assembly

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H. B. No. 636

Representative Johnson

To amend section 1345.81 and to enact sections
3937.51, 3937.52, 3937.53, and 3937.54 of the
Revised Code to require certain disclosures,
allow consumer choice concerning the use of
aftermarket motor vehicle parts, to require the
offering of coverage for original equipment
manufacturer parts, and to name this act the
Auto Insurance Transparency Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 1345.81 be amended and sections
3937.51, 3937.52, 3937.53, and 3937.54 of the Revised Code be
enacted to read as follows:

Sec. 1345.81. (A) As used in this section:

(1) "~~Aftermarket crash~~ Replacement part" means a
~~replacement for any of the nonmechanical sheet metal or plastic~~
~~parts that generally constitute the exterior part or component~~
of a motor vehicle, ~~including inner and outer panels~~ designed to
replace a similar part or component as originally equipped by
the manufacturer of a motor vehicle.

(2) "Nonoriginal equipment manufacturer aftermarket ~~crash~~
replacement part" or "non-OEM aftermarket ~~crash~~ replacement

part" means any ~~aftermarket crash-replacement~~ part that is not 21
made by or for the manufacturer of the motor vehicle. 22

(3) "Repair facility" means any motor vehicle dealer, 23
garage, body shop, or other commercial entity that undertakes 24
the repair of a motor vehicle or the replacement of those parts
~~that generally constitute the exterior of a motor vehicle parts.~~ 25
26

(4) "Installer" means any individual who actually performs 27
the work of replacing or repairing parts of a motor vehicle. 28

(5) "Insurer" means any individual serving as an agent or 29
authorized representative of an insurance company, involved with 30
the coverage for repair of the motor vehicle in question. 31

(6) "Original equipment manufacturer replacement part" and 32
"OEM replacement part" mean any replacement part that is made by 33
or for the manufacturer of the motor vehicle. 34

(7) "Automobile insurance policy" has the same meaning as 35
in section 3937.30 of the Revised Code. 36

(8) "Motor vehicle dealer" has the same meaning as in 37
section 4517.01 of the Revised Code. 38

(B) Any insurer who provides an estimate for the repair of 39
a motor vehicle based in whole or in part upon the use of any 40
non-OEM aftermarket ~~crash-replacement~~ part in the repair of the 41
motor vehicle and any repair facility or installer who intends 42
to use a non-OEM aftermarket ~~crash-replacement~~ part in the 43
repair of a motor vehicle shall comply with the following 44
provisions, as applicable: 45

~~(1)~~ (1) (a) If the person requesting the repair chooses to 46
receive a written estimate, the insurer, repair facility, or 47
installer providing the estimate shall ~~identify, clearly include~~ 48

in the written estimate, all of the following: 49

(i) Clear identification of each non-OEM aftermarket ~~crash~~ 50
replacement part and shall contain a written; 51

(ii) An indication of whether OEM aftermarket replacement 52
parts are readily available and, if so, whether using OEM 53
aftermarket replacement parts would require the repair to be 54
completed by another repair facility or installer; 55

(iii) A notice that the person requesting the repair has 56
the right to choose OEM replacement parts, even if those parts 57
are not fully covered by the person's automobile insurance 58
policy, as long as the person agrees to pay the difference 59
between the cost of the OEM replacement parts and the maximum 60
policy coverage for the same part sourced from a non-OEM 61
aftermarket replacement parts manufacturer; 62

(iv) A notice with the following language in ten-point or 63
larger type: "This estimate has been prepared based upon the use 64
of one or more aftermarket ~~crash-replacement~~ parts supplied by a 65
source other than the manufacturer of your motor vehicle. 66
Warranties applicable to these aftermarket ~~crash-replacement~~ 67
parts are provided by the parts manufacturer or distributor 68
rather than by your own motor vehicle manufacturer." ~~Receipt-~~ 69

(b) Receipt and approval of the written estimate shall be 70
acknowledged by the signature of the person requesting the 71
repair at the bottom of the written estimate. 72

(2) If the person requesting the repair chooses to receive 73
an oral estimate or no estimate at all, the insurer, repair 74
facility, or installer providing the estimate or seeking the 75
person's approval for repair work to commence shall furnish or 76
read to the person a written notice as described in division (B) 77

(1) of this section at the time that the oral estimate is given 78
or when the person requesting the repair gives approval for the 79
repair work to commence. If the person has chosen to receive an 80
oral estimate or no estimate, the written notice described in 81
division (B)(1) of this section shall be provided with the final 82
invoice for the repair. 83

(C) Any non-OEM aftermarket ~~crash~~replacement part 84
manufactured after October 16, 1990, that replaces any of the 85
nonmechanical sheet metal or plastic parts that generally 86
constitute the exterior of a motor vehicle, including inner and 87
outer panels, shall have permanently affixed thereto, or 88
inscribed thereon, prior to the installation of the part, the 89
business name or logo of the manufacturer. 90

Whenever practical, the location of the affixed or 91
inscribed information upon the part shall ensure that the 92
information shall be accessible after installation. 93

(D) An insurer, repair facility, or installer may use a 94
salvage motor vehicle part in the repair of a motor vehicle, if 95
the salvage motor vehicle part is of a like kind and quality to 96
the part in need of repair and is sourced from a salvage motor 97
vehicle dealer licensed under Chapter 4738. of the Revised Code. 98

(E) If an automobile insurance policy does not cover OEM 99
replacement parts, the insurer shall allow a claimant to 100
complete the repair using OEM replacement parts so long as the 101
claimant pays any difference between the cost of OEM replacement 102
parts and the maximum policy coverage for the same part sourced 103
from a non-OEM aftermarket replacement part manufacturer. 104

(F) Any violation of this section by an insurer is an 105
unfair and deceptive act or practice in the business of 106

insurance, as defined in section 3901.21 of the Revised Code, 107
and is subject to, in addition to the penalties prescribed in 108
section 3901.22 of the Revised Code, disciplinary action under 109
Chapter 3937. of the Revised Code. 110

(G) Any other violation of this section in connection with 111
a consumer transaction as defined in section 1345.01 of the 112
Revised Code is an unfair and deceptive act or practice as 113
defined by section 1345.02 of the Revised Code. 114

Sec. 3937.51. As used in sections 3937.51 to 3937.54 of 115
the Revised Code: 116

(A) "Automobile insurance policy" has the same meaning as 117
in section 3937.30 of the Revised Code. 118

(B) "Installer," "original equipment manufacturer 119
replacement part," "OEM replacement part," and "repair facility" 120
have the same meanings as in section 1345.81 of the Revised 121
Code. 122

(C) (1) "Original equipment manufacturer part repair 123
coverage" and "OEM part repair coverage" mean any coverage, 124
whether part of an automobile insurance policy, or which is 125
supplemental to an existing automobile insurance policy, for the 126
cost of using OEM replacement parts in the repair of a covered 127
vehicle. 128

(2) "Original equipment manufacturer part repair coverage" 129
and "OEM part repair coverage" includes any added costs 130
associated with the use of OEM replacement parts or when using 131
OEM replacement parts would require the repair to be completed 132
by another repair facility or installer. 133

Sec. 3937.52. Every insurance company delivering, issuing 134
for delivery, or renewing an automobile insurance policy in this 135

state that includes coverage for damages to, or the destruction 136
of, the motor vehicle specifically identified in the policy 137
shall clearly and conspicuously offer to the insured an option 138
for the automobile insurance policy to include OEM part repair 139
coverage. 140

Sec. 3937.53. (A) Nothing in sections 3937.51 to 3937.54 141
of the Revised Code shall be construed to require an automobile 142
insurance policy to include OEM part repair coverage if a 143
policyholder does not elect to include OEM part repair coverage 144
with the automobile insurance policy in accordance with section 145
3937.52 of the Revised Code. 146

(B) Nothing in sections 3937.51 to 3937.54 of the Revised 147
Code shall be construed to prohibit the actuarially justified 148
adjustment of a premium for an automobile insurance policy when 149
a policyholder elects to include OEM part repair coverage with 150
the automobile insurance policy. 151

Sec. 3937.54. Any violation of section 3937.52 of the 152
Revised Code is an unfair and deceptive act or practice in the 153
business of insurance under sections 3901.19 to 3901.26 of the 154
Revised Code. If the superintendent, by written order, finds 155
that any person is about to engage, is engaging, or has engaged 156
in a violation of this section, the superintendent may impose 157
any or all of the administrative remedies set forth in divisions 158
(D) (1) to (5) of section 3901.22 of the Revised Code. If the 159
superintendent finds that the violation was due to gross or 160
willful misconduct, the superintendent may order that person to 161
reimburse any customer harmed by the violation or violations, 162
including reimbursement or payment of insurance claims for which 163
a loss occurred as a result of a customer's reliance upon a 164
policy summary containing any false, misleading, or deceptive 165

representation or statement. 166

Section 2. That existing section 1345.81 of the Revised 167
Code is hereby repealed. 168

Section 3. This act shall be known as the Auto Insurance 169
Transparency Act. 170