

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 111

Introduced by Quick, 35.

Read first time January 10, 2025

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to define terms; to prohibit
- 2 certain actions of insurers relating to repairing motor vehicles and
- 3 nonoriginal equipment manufacturer parts; to require insurers to
- 4 provide notice to consumers as prescribed; and to provide a penalty.
- 5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** For purposes of sections 1 to 8 of this act:

2 (1) Consumer has the same meaning as in section 60-2701;

3 (2) Consumer care has the same meaning as in section 60-1401.10;

4 (3) Insurer includes any:

5 (a) Insurance company; and

6 (b) Person authorized to represent an insurer with respect to a
7 claim who is acting within the scope of such person's authority;

8 (4) Nonoriginal equipment manufacturer means any manufacturer other
9 than the original equipment manufacturer for the motor vehicle; and

10 (5)(a) Part means any part that generally constitutes the exterior
11 of a motor vehicle, including inner and outer panels; and

12 (b) Part does not include any tire, windshield, or window.

13 **Sec. 2.** No insurer shall directly or indirectly require the use of
14 any nonoriginal equipment manufacturer part that does not carry
15 sufficient permanent identification so as to identify the manufacturer of
16 such part. Such identification shall be accessible to the extent possible
17 after installation.

18 **Sec. 3.** No insurer shall directly or indirectly require the use of
19 any nonoriginal equipment manufacturer part unless such part is at least
20 equal in quality to the corresponding original equipment manufacturer
21 part in terms of fit and performance. The cost of any modification that
22 becomes necessary when making the repair shall be considered as a factor
23 in determining the quality of the nonoriginal equipment manufacturer
24 part.

25 **Sec. 4.** An insurer shall not directly or indirectly:

26 (1) Accept any estimate or authorize any repair unless the consumer
27 is advised that he or she is not required to accept any nonoriginal
28 equipment manufacturer part in the repair of the motor vehicle and the
29 consumer consents in writing to the use of any nonoriginal equipment
30 manufacturer part before any repair is made; or

31 (2) Require any consumer to pay any difference in price if the

1 consumer elects to use any original equipment manufacturer part in the
2 repair of the consumer's motor vehicle.

3 **Sec. 5.** (1) Prior to any repair being made on a consumer's vehicle
4 that involves use of a nonoriginal equipment manufacturer part, the
5 insurer of the motor vehicle shall provide the following notice to the
6 consumer in a font that is no smaller print than ten-point type:

7 THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF AT LEAST ONE
8 AUTOMOBILE PART NOT MADE BY THE ORIGINAL EQUIPEMENT MANUFACTURER OF YOUR
9 MOTOR VEHICLE. ANY NONORIGINAL EQUIPMENT MANUFACTURER PART USED IN THE
10 REPAIR OF YOUR MOTOR VEHICLE IS REQUIRED TO BE AT LEAST OF EQUAL QUALITY
11 IN TERMS OF FIT AND PERFORMANCE TO THE ORIGINAL EQUIPMENT MANUFACTURER
12 PART IT IS REPLACING.

13 (2) Any nonoriginal equipment manufacturer part that is intended to
14 be installed on a consumer's motor vehicle shall be clearly identified in
15 the estimate for the repair of the motor vehicle.

16 **Sec. 6.** No insurer shall require consumer care of a motor vehicle
17 to be completed with aftermarket parts if such motor vehicle was
18 manufactured within thirty-six months of the date of the damage to the
19 motor vehicle that is receiving such consumer care.

20 **Sec. 7.** An insurer may include the following notice in a policy
21 that covers consumer care of a motor vehicle manufactured more than
22 thirty-six months prior to the date of the policy in capitalized ten-
23 point font and without other policy language on the page:

24 IN THE REPAIR OF YOUR COVERED MOTOR VEHICLE UNDER THE DAMAGE
25 COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY THE USE OF
26 AFTERMARKET PARTS NOT MADE BY THE ORIGINAL EQUIPMENT MANUFACTURER. SUCH
27 AFTERMARKET PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT,
28 QUALITY, PERFORMANCE, AND WARRANTY TO ORIGINAL EQUIPMENT MANUFACTURER
29 PARTS.

30 **Sec. 8.** Each violation of sections 1 to 7 of this act by any
31 insurer is a Class I misdemeanor.