

LOUISIANA DEPARTMENT OF INSURANCE JAMES J. DONELON COMMISSIONER

DIRECTIVE 143 (REVISED AND REISSUED)

TO:

PROPERTY AND CASUALTY INSURERS DOING BUSINESS IN THE

STATE OF LOUISIANA

FROM:

JAMES J. DONELON, COMMISSIONER

RE:

AFTERMARKET CRASH PARTS DISCLOSURE REQUIREMENT

DATE:

JULY 28, 2020

Acts 2008, No.415, § 1, effective January 1, 2009, redesignated the provisions of Title 22, formerly comprised of La. R.S. 22:1 to 22:3311, into a new format and numbering scheme comprised of La. R.S. 22:1 to 22:2371, without changing the substance of the provisions. Directive 143, originally issued on February 5, 1997, is being amended to update the cited statutory provisions.

Act No. 765 of the 1990 Regular Session of the Louisiana Legislature, effective January 1, 1991, enacted Louisiana Revised Statute 51:2424, which reads as follows:

A. No insurer shall specify the use of non-OEM aftermarket crash parts in the repair of an insured's motor vehicle, nor shall a repair facility or installer use non-OEM aftermarket parts to repair a vehicle, unless the insured is so advised in writing.

B. In all instances where non-OEM aftermarket crash parts are intended for use by an insurer:

- (1) the written estimate shall clearly identify each such part.
- (2) a disclosure document containing the following information in ten-point type or larger type shall appear on or be attached to the insured's copy of the estimate: "this estimate has been prepared based on the use of crash parts supplied by a source other than the manufacturer of your motor vehicle. Warranties applicable to these replacement parts are provided by the manufacturer or distributor of these parts rather than the manufacturer of your vehicle."

All insurers, including all foreign or alien property and casualty insurers to whom this act applies, shall continue to comply with La. R.S. 51:2424.

Directive 143 (REVISED & REISSUED) July 28, 2020 Page 2

A violation of La. R.S. 51:2424 constitutes a violation of La. R.S. 22:1964(14), unfair claims settlement practices. Insurers failing to comply will be subject to penalties as provided in La. R.S. 22:1969 and other applicable provisions of the Louisiana Revised Statutes.

If there are any questions regarding this Directive, please contact the Deputy Commissioner for the Office of Property and Casualty, electronically at public@ldi.la.gov.

Please be governed accordingly.

Baton Rouge, Louisiana, this 28th day of July, 2020.

JAMES J. DONELON

COMMISSIONER OF INSURANCE