

SENATE BILL 314

By Niceley

AN ACT to amend Tennessee Code Annotated, Title 56,
relative to insurance.

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

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 11, is amended by
adding the following as a new section:

56-7-1121.

(a) As used in this section:

(1) "Aftermarket part" means a new body part that was not manufactured
by the original equipment manufacturer (OEM);

(2) "Body part":

(A) Means a replacement for any of the nonmechanical sheet
metal or plastic parts that generally constitute the exterior of a motor
vehicle; and

(B) Includes the inner and outer panels of the body of a motor
vehicle;

(3) "Body shop" means a business that repairs damage to the exterior of
motor vehicles;

(4) "Insured" means an individual, business, or other entity that is entitled
to the coverage provided by an insurance policy;

(5) "Insurer" means an insurance company or an individual authorized to
represent the insurer with respect to a claim;

(6) "New body part" means a body part that has not previously been
attached to a motor vehicle; and

(7) "Used body part" means a body part that has previously been attached to a motor vehicle.

(b) An insurer that is obligated to pay at least part of the cost of repairing a motor vehicle under an insurance policy issued by the insurer shall not direct a body shop to repair the motor vehicle until the insurer has presented the insured with a written notice that meets the requirements set forth in subsections (c) and (d).

(c) An insurer shall provide the insured with a written notice that:

(1) Informs the insured that the insured has a right to approve the type of body parts to be used in the repair of the motor vehicle;

(2) Informs the insured of body part recommendations given by the repair shop; and

(3) Gives the insured an opportunity, in approving the type of body parts to be used in the repair of the motor vehicle, to select from among the following:

(A) New body parts manufactured by the OEM or for the manufacturer of the motor vehicle, if the new body parts are still available;

(B) Aftermarket parts; or

(C) Used body parts.

(d) An insurer shall give the insured an opportunity to indicate in writing, which may be electronic, the type of body part that the insured approves for use in the repair of the motor vehicle.

(e) This section applies only in the five (5) years following the model year of the motor vehicle.

(f) A violation of this section constitutes an unfair claims practice and is subject to the penalties and remedies as provided in the Tennessee Unfair Trade Practices and Unfair Claims Settlement Act of 2009, compiled in chapter 8, part 1 of this title.

SECTION 2. Tennessee Code Annotated, Section 56-8-105, is amended by adding the following as a new subdivision:

() A violation of § 56-7-1121;

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it, and applies to agreements for auto insurance issued, delivered, entered into, amended, or renewed on or after that date.