

SUBSTITUTE FOR
HOUSE BILL NO. 4467

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 125.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 125. (1) A SERVICE CONTRACT IS NOT INSURANCE OR THE
2 BUSINESS OF INSURANCE AND IS NOT SUBJECT TO THIS ACT.

3 (2) AS USED IN THIS SECTION:

4 (A) "CONSUMER PRODUCT" MEANS ANY TANGIBLE PERSONAL PROPERTY
5 THAT IS DISTRIBUTED IN COMMERCE AND IS NORMALLY USED FOR PERSONAL,
6 FAMILY, OR HOUSEHOLD PURPOSES, INCLUDING ANY TANGIBLE PERSONAL
7 PROPERTY INTENDED TO BE ATTACHED TO OR INSTALLED IN ANY REAL
8 PROPERTY WITHOUT REGARD TO WHETHER IT IS SO ATTACHED OR INSTALLED.

9 (B) "SERVICE CONTRACT" MEANS A WRITTEN CONTRACT THAT IS SOLD
10 FOR STATED CONSIDERATION FOR A SPECIFIC DURATION THAT PROVIDES ANY
11 OF THE FOLLOWING:

1 (i) TO PERFORM OR PROVIDE REIMBURSEMENT FOR THE REPAIR,
2 REPLACEMENT, OR MAINTENANCE OF A CONSUMER PRODUCT BECAUSE OF THE
3 OPERATIONAL OR STRUCTURAL FAILURE OF THE CONSUMER PRODUCT DUE TO A
4 DEFECT IN MATERIALS OR WORKMANSHIP; ACCIDENTAL DAMAGE FROM
5 HANDLING, POWER SURGE, OR INTERRUPTION; OR NORMAL WEAR AND TEAR,
6 WITH OR WITHOUT ADDITIONAL PROVISIONS FOR INCIDENTAL PAYMENT OF
7 INDEMNITY UNDER LIMITED CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED
8 TO, TOWING, RENTAL, AND EMERGENCY ROAD SERVICE.

9 (ii) THE REPAIR OR REPLACEMENT OR INDEMNIFICATION FOR THE
10 REPAIR OR REPLACEMENT OF A MOTOR VEHICLE FOR THE OPERATIONAL OR
11 STRUCTURAL FAILURE OF 1 OR MORE PARTS OR SYSTEMS OF THE MOTOR
12 VEHICLE BROUGHT ABOUT BY THE FAILURE OF AN ADDITIVE PRODUCT TO
13 PERFORM AS REPRESENTED.

14 (iii) THE REPAIR OR REPLACEMENT OF TIRES OR WHEELS ON A MOTOR
15 VEHICLE DAMAGED AS A RESULT OF COMING INTO CONTACT WITH ROAD
16 HAZARDS, INCLUDING, BUT NOT LIMITED TO, POTHOLES, ROCKS, WOOD
17 DEBRIS, METAL PARTS, GLASS, PLASTIC, CURBS, OR COMPOSITE SCRAPS.

18 (iv) THE REMOVAL OF DENTS, DINGS, OR CREASES ON A MOTOR VEHICLE
19 THAT CAN BE REPAIRED USING THE PROCESS OF PAINTLESS DENT REMOVAL
20 WITHOUT AFFECTING THE EXISTING PAINT FINISH AND WITHOUT REPLACING
21 VEHICLE BODY PANELS, SANDING, BONDING, OR PAINTING.

22 (v) THE REPAIR OF SMALL MOTOR VEHICLE WINDSHIELD CHIPS OR
23 CRACKS, OR IF A WINDSHIELD CANNOT BE REPAIRED, THE REPLACEMENT OF
24 THE WINDSHIELD.

25 (vi) THE REPLACEMENT OF AN INOPERABLE, LOST, OR STOLEN MOTOR
26 VEHICLE KEY OR KEY FOB.