

HOUSE BILL No. 4467

March 19, 2013, Introduced by Rep. Foster and referred to the Committee on Insurance.

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) A PERSON IS NOT REQUIRED TO OBTAIN A CERTIFICATE OF
4 AUTHORITY OR LICENSE UNDER THIS ACT TO ADMINISTER OR MARKET, SELL,
5 OFFER FOR SALE, ISSUE, MAKE, OR PROPOSE TO MAKE SERVICE CONTRACTS
6 TO CONSUMERS.

7 (3) AS USED IN THIS SECTION, "SERVICE CONTRACT" MEANS A
8 CONTRACT OR AGREEMENT FOR A SEPARATELY STATED CONSIDERATION FOR A
9 SPECIFIC DURATION TO PERFORM THE REPAIR, REPLACEMENT, OR

1 MAINTENANCE OF PROPERTY OR INDEMNIFICATION FOR REPAIR, REPLACEMENT,
2 OR MAINTENANCE, FOR THE OPERATIONAL OR STRUCTURAL FAILURE OF ANY
3 MOTOR VEHICLE, RESIDENTIAL PROPERTY, OR OTHER PROPERTY DUE TO A
4 DEFECT IN MATERIALS, WORKMANSHIP, ACCIDENTAL DAMAGE FROM HANDLING,
5 OR NORMAL WEAR AND TEAR, WITH OR WITHOUT ADDITIONAL PROVISIONS FOR
6 INCIDENTAL PAYMENT OF INDEMNITY UNDER LIMITED CIRCUMSTANCES,
7 INCLUDING, BUT NOT LIMITED TO, TOWING, RENTAL AND EMERGENCY ROAD
8 SERVICE, AND ROAD HAZARD PROTECTION. SERVICE CONTRACTS MAY PROVIDE
9 FOR THE REPAIR, REPLACEMENT, OR MAINTENANCE OF PROPERTY FOR DAMAGE
10 RESULTING FROM POWER SURGES OR INTERRUPTION. SERVICE CONTRACT
11 INCLUDES OTHER SERVICES AND PRODUCTS, AS DETERMINED BY THE
12 COMMISSIONER. SERVICE CONTRACT ALSO INCLUDES A CONTRACT OR
13 AGREEMENT SOLD FOR A SEPARATELY STATED CONSIDERATION FOR A SPECIFIC
14 DURATION THAT PROVIDES FOR ANY OF THE FOLLOWING:

15 (A) THE REPAIR OR REPLACEMENT OR INDEMNIFICATION FOR THE
16 REPAIR OR REPLACEMENT OF A MOTOR VEHICLE FOR THE OPERATIONAL OR
17 STRUCTURAL FAILURE OF 1 OR MORE PARTS OR SYSTEMS OF THE MOTOR
18 VEHICLE BROUGHT ABOUT BY THE FAILURE OF AN ADDITIVE PRODUCT TO
19 PERFORM AS REPRESENTED.

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

24 (C) THE REMOVAL OF DENTS, DINGS, OR CREASES ON A MOTOR VEHICLE
25 THAT CAN BE REPAIRED USING THE PROCESS OF PAINTLESS DENT REMOVAL
26 WITHOUT AFFECTING THE EXISTING PAINT FINISH AND WITHOUT REPLACING
27 VEHICLE BODY PANELS, SANDING, BONDING, OR PAINTING.

1 (D) THE REPAIR OF SMALL MOTOR VEHICLE WINDSHIELD CHIPS OR
2 CRACKS, OR IF A WINDSHIELD CANNOT BE REPAIRED, THE REPLACEMENT OF
3 THE WINDSHIELD.

4 (E) THE REPAIR OF DAMAGE TO THE INTERIOR COMPONENTS OF A MOTOR
5 VEHICLE CAUSED BY WEAR AND TEAR, IF THE CONTRACT OR AGREEMENT
6 EXPRESSLY EXCLUDES THE REPLACEMENT OF ANY PART OR COMPONENT OF A
7 MOTOR VEHICLE'S INTERIOR.

8 (F) THE REPLACEMENT OF AN INOPERABLE, LOST, OR STOLEN MOTOR
9 VEHICLE KEY OR KEY FOB.