

**VEHICLE PROTECTION PRODUCT ACT (EXCERPT)**  
**Act 263 of 2005**

\*\*\*\*\* 257.1255.new THIS NEW SECTION IS EFFECTIVE JUNE 14, 2006 \*\*\*\*\*

**257.1255.new Prohibited conduct.**

Sec. 15. (1) Unless licensed as an insurance company, a vehicle protection product warrantor shall not use in its name, contracts, or literature any of the words "insurance", "casualty", "surety", or "mutual" or any other words descriptive of the insurance, casualty, or surety business or use any name or words in its name that are deceptively similar to the name or description of any insurer or surety or any other vehicle protection product warrantor. However, a warrantor may use the term "guaranty" or a similar word in the warrantor's name.

(2) A vehicle protection product warrantor shall not make, permit, or cause any false or misleading statements, either oral or written, in connection with the sale, offer to sell, or advertisement of a warranted product.

(3) A vehicle protection product warrantor shall not permit or cause the omission of any material statement in connection with the sale, offer to sell, or advertisement of a warranted product, which under the circumstances the warrantor should make in order to make the statements in the warranty not misleading.

(4) A vehicle protection product warrantor shall not make, permit, or cause any false or misleading statements, either oral or written, about the performance required or payments that are available under the vehicle protection product warranty.

(5) A vehicle protection product warrantor shall not make, permit, or cause any statement or practice that has the effect of creating or maintaining a fraud.

(6) A warranted product seller or warrantor may not require as a condition of sale or financing that a retail purchaser of a motor vehicle purchase a warranted product that is not installed on the motor vehicle at the time of sale.

**History:** 2005, Act 263, Eff. June 14, 2006.