

HOUSE BILL NO. HB0232

Vehicle service contracts.

Sponsored by: Representative(s) Brown, Burkhart and Olsen
and Senator(s) Landen

A BILL

for

1 AN ACT relating to the insurance code; amending the scope
2 of service contracts and theft protection warranties;
3 specifying that theft protection warranties are not
4 insurance; amending and creating definitions; and providing
5 for an effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 26-49-101(d)(ii) and by creating a
10 new paragraph (iv), 26-49-102(a)(ix)(B), (C), by creating
11 new subparagraphs (E) and (F) and by creating new
12 paragraphs (xii) and (xiii) are amended to read:

13

14 **26-49-101. Scope and purposes.**

15

1 (d) This article does not apply to:

2

3 (ii) To mechanical breakdown insurance
4 organizations who maintain a license pursuant to W.S.
5 26-37-106; ~~or~~

6

7 (iv) Theft protection programs or their
8 accompanying warranties. Theft protection program
9 warranties shall not be considered insurance.

10

11 **26-49-102. Definitions.**

12

13 (a) As used in this article:

14

15 (ix) "Service contract" means a contract or
16 agreement for a separately stated consideration for a
17 specific duration to perform the repair, replacement or
18 maintenance of property or indemnification for repair,
19 replacement or maintenance, for the operational or
20 structural failure due to a defect in materials or
21 workmanship or normal wear and tear, with or without
22 additional provision for incidental payment or indemnity
23 under limited circumstances, including, but not limited to,

1 towing, rental and emergency road service. Service
2 contracts may provide for the repair, replacement or
3 maintenance of property for damage resulting from power
4 surges and accidental damage from handling. "Service
5 contract" also includes a contract or agreement for one (1)
6 or more of the following:

7
8 (B) The repair or replacement of tires or
9 wheels damaged as a result of coming into contact with
10 ordinary road hazards. ~~including, but not limited to,~~
11 ~~potholes, curbs, rocks, wood debris, metal parts, glass,~~
12 ~~plastic or composite scraps.~~ A contract or agreement
13 meeting the definition set forth in this subparagraph in
14 which the party obligated to perform is either a tire or
15 wheel manufacturer or a motor vehicle manufacturer is
16 exempt from the requirements of this chapter;

17
18 (C) The repair of small windshield chips or
19 cracks ~~but which expressly excludes~~ in or the replacement
20 of the entire windshield as a result of damage caused by
21 road hazards;

22

1 (E) The replacement of a motor vehicle key
2 or key fob in the event that the key or key fob becomes
3 inoperable, lost or stolen;

4
5 (F) In conjunction with a motor vehicle
6 leased for use, the repair, replacement or maintenance of
7 property or indemnification for repair, replacement or
8 maintenance due to excess wear and use, damage to items
9 such as tires, paint cracks or chips, interior stains, rips
10 or scratches, exterior dents or scratches, windshield
11 cracks or chips, missing interior or exterior parts or
12 excess mileage that result in a lease-end charge, or any
13 other charge for damage that is deemed as excess wear and
14 use by a lessor under a motor vehicle lease, provided that
15 any repair, replacement, maintenance or indemnification
16 shall not exceed the purchase price of the vehicle.

17
18 (xii) "Incidental payment" means expenses
19 specified in a theft protection program warranty that are
20 incurred by the warranty holder due to the failure of a
21 theft protection program to perform as provided in the
22 contract. Incidental payments may include insurance policy
23 deductibles, rental vehicle charges, the difference between

1 the actual value of the stolen vehicle at the time of theft
2 and the cost of a replacement vehicle, sales taxes,
3 registration fees, transaction fees and mechanical
4 inspection fees. Incidental payments may be reimbursements
5 in either a fixed amount specified in the theft protection
6 program warranty or by use of a formula itemizing specific
7 incidental payments that may be due to the warranty holder;

8
9 (xiii) "Road hazard" means a hazard that is
10 encountered while driving a motor vehicle and that may
11 include, but is not limited to, potholes, rocks, wood
12 debris, metal parts, glass, plastic, curbs or composite
13 scraps.

14

15 **Section 2.** This act is effective July 1, 2021.

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17

(END)