

HOUSE BILL NO. HB0064

Vehicle service contracts.

Sponsored by: Representative(s) Brown and Burkhardt and
Senator(s) Landen

A BILL

for

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

7

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

9

10 **Section 1.** W.S. 26-1-104(a) by creating a new
11 paragraph (viii), 26-49-101(d)(ii) and by creating a new
12 paragraph (iv) and 26-49-102(a)(ix)(intro), (B), (C), by
13 creating new subparagraphs (E) and (F) and by creating new
14 paragraphs (xii) through (xv) are amended to read:

15

1 **26-1-104. Applicability of provisions.**

2

3 (a) This code does not apply to:

4

5 (viii) Theft protection program warrantees,
6 except as referred to in chapter 49 of this code. Theft
7 protection program warrantees shall not be considered
8 insurance.

9

10 **26-49-101. Scope and purposes.**

11

12 (d) This article does not apply to:

13

14 (ii) To mechanical breakdown insurance
15 organizations who maintain a license pursuant to W.S.
16 26-37-106; ~~or~~

17

18 (iv) Theft protection programs or their
19 accompanying warranties except as used in this article to
20 define service contracts.

21

22 **26-49-102. Definitions.**

23

1 (a) As used in this article:

2

3 (ix) "Service contract" means a contract or
4 agreement for a separately stated consideration for a
5 specific duration to perform the repair, replacement or
6 maintenance of property or indemnification for repair,
7 replacement or maintenance, for the operational or
8 structural failure due to a defect in materials or
9 workmanship or normal wear and tear, with or without
10 additional provision for incidental payment, incidental
11 theft protection program payment or indemnity under limited
12 circumstances, including, but not limited to, towing,
13 rental and emergency road service. Service contracts may
14 provide for the repair, replacement or maintenance of
15 property for damage resulting from power surges and
16 accidental damage from handling. "Service contract" also
17 includes a contract or agreement for one (1) or more of the
18 following:

19

20 (B) The repair or replacement of tires or
21 wheels damaged as a result of coming into contact with
22 ordinary road hazards. ~~including, but not limited to,~~
23 ~~potholes, curbs, rocks, wood debris, metal parts, glass,~~

1 ~~plastic or composite scraps.~~ A contract or agreement
2 meeting the definition set forth in this subparagraph in
3 which the party obligated to perform is either a tire or
4 wheel manufacturer or a motor vehicle manufacturer is
5 exempt from the requirements of this chapter;

6

7 (C) The repair of small windshield chips or
8 cracks ~~but which expressly excludes in or~~ the replacement
9 of the entire windshield as a result of damage caused by
10 road hazards;

11

12 (E) The replacement of a motor vehicle key
13 or key fob in the event that the key or key fob becomes
14 inoperable, lost or stolen;

15

16 (F) In conjunction with a motor vehicle
17 leased for use, the repair, replacement or maintenance of
18 property or indemnification for repair, replacement or
19 maintenance due to excess wear and use, damage to items
20 such as tires, paint cracks or chips, interior stains, rips
21 or scratches, exterior dents or scratches, windshield
22 cracks or chips, missing interior or exterior parts or
23 excess mileage that result in a lease-end charge, or any

1 other charge for damage that is deemed as excess wear and
2 use by a lessor under a motor vehicle lease, provided that
3 any repair, replacement, maintenance or indemnification
4 shall not exceed the purchase price of the vehicle.

5
6 (xii) "Incidental theft protection program
7 payment" means expenses specified in a theft protection
8 program warranty that are incurred by the warranty holder
9 due to the failure of the warranty holder's theft
10 protection program to pay or reimburse for the expenses as
11 provided in the theft protection program warranty.

12 Incidental theft protection program payments may include
13 insurance policy deductibles, rental vehicle charges, the
14 difference between the actual value of the stolen vehicle
15 at the time of theft and the cost of a replacement vehicle,
16 sales taxes, registration fees, transaction fees and
17 mechanical inspection fees. Incidental theft protection
18 program payments may be reimbursements in either a fixed
19 amount specified in the theft protection program warranty
20 or by use of a formula itemizing specific incidental theft
21 protection program payments that may be due to the warranty
22 holder;

23

1 (xiii) "Road hazard" means a hazard that is
2 encountered while driving a motor vehicle and that may
3 include, but is not limited to, potholes, rocks, wood
4 debris, metal parts, glass, plastic, curbs or composite
5 scraps;

6
7 (xiv) "Theft protection program" means a device
8 or system that:

9
10 (A) Is installed on or applied to a motor
11 vehicle and designed to prevent the theft of the vehicle
12 or, if the vehicle is stolen, aid in the recovery of the
13 vehicle;

14
15 (B) Includes a theft protection program
16 warranty;

17
18 (C) May include but is not limited to:

19
20 (I) An alarm system;

21
22 (II) A body part marking product;

23

1 (III) A steering lock;

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3 (IV) A window etch product;

4

5 (V) A pedal or ignition lock;

6

7 (VI) A fuel or ignition kill switch;

8

9 (VII) An electronic, radio or
10 satellite tracking device.

11

12 (xv) "Theft protection program warranty" means a
13 written agreement by a warrantor that provides if the theft
14 protection program fails to prevent loss or damage to a
15 motor vehicle from theft, the warrantor will pay to or on
16 behalf of the warranty holder specified incidental theft
17 protection program payments as a result of the failure of
18 the theft protection program to perform pursuant to the
19 terms of the theft protection program warranty.

20

21 **Section 2.** This act is effective July 1, 2022.

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23

(END)