

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1677 Session of 2009

INTRODUCED BY DeLUCA, BARBIN, BELFANTI, BRENNAN, BROWN, CALTAGIRONE, CASORIO, COHEN, CONKLIN, D. COSTA, P. COSTA, DEASY, DERMODY, FABRIZIO, FRANKEL, GIBBONS, GRUCELA, HARHAI, HARKINS, HORNAMAN, KORTZ, KOTIK, KULA, MAHONEY, MATZIE, MOUL, MURT, M. O'BRIEN, O'NEILL, PALLONE, PARKER, PASHINSKI, PETRARCA, READSHAW, SAINATO, SAYLOR, J. TAYLOR, VULAKOVICH, YOUNGBLOOD AND YUDICHAK, JUNE 12, 2009

REFERRED TO COMMITTEE ON INSURANCE, JUNE 12, 2009

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," providing for motor vehicle service
12 contracts.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
16 as The Insurance Company Law of 1921, is amended by adding a
17 section to read:

18 Section 358. Motor Vehicle Service Contracts.--(a) The
19 marketing, sale, offering for sale, issuance, making, proposing
20 to make and administration of a motor vehicle service contract

1 shall be construed as the business of insurance and shall be
2 subject to regulation as insurance.

3 (b) "Motor vehicle service contract" means a contract or an
4 agreement for a separately stated consideration for a specific
5 duration to perform the service, repair, replacement or
6 maintenance of a motor vehicle or indemnification for service,
7 repair, replacement or maintenance, for the operational or
8 structural failure due to a defect in materials, workmanship or
9 normal wear and tear with or without additional provisions for
10 incidental payment of indemnity under limited circumstances,
11 including, but not limited to, towing, rental and emergency road
12 service. The term "motor vehicle service contract" does not
13 include warranties issued by or from the original manufacturer
14 of a motor vehicle or a warranty, policy, rider or endorsement
15 issued by an insurer licensed or admitted to do business in this
16 Commonwealth.

17 Section 2. This act shall take effect in 60 days.