

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.