SUBSTITUTE FOR HOUSE BILL NO. 4467

A bill to amend 1956 PA 218, entitled "The insurance code of 1956,"

(MCL 500.100 to 500.8302) by adding section 125.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 125. (1) A SERVICE CONTRACT IS NOT INSURANCE OR THE
- 2 BUSINESS OF INSURANCE AND IS NOT SUBJECT TO THIS ACT.
- 3 (2) AS USED IN THIS SECTION:
- 4 (A) "CONSUMER PRODUCT" MEANS ANY TANGIBLE PERSONAL PROPERTY
- 5 THAT IS DISTRIBUTED IN COMMERCE AND IS NORMALLY USED FOR PERSONAL,
- 6 FAMILY, OR HOUSEHOLD PURPOSES, INCLUDING ANY TANGIBLE PERSONAL
- 7 PROPERTY INTENDED TO BE ATTACHED TO OR INSTALLED IN ANY REAL
- 8 PROPERTY WITHOUT REGARD TO WHETHER IT IS SO ATTACHED OR INSTALLED.
- 9 (B) "SERVICE CONTRACT" MEANS A WRITTEN CONTRACT THAT IS SOLD
- 10 FOR STATED CONSIDERATION FOR A SPECIFIC DURATION THAT PROVIDES ANY
- 11 OF THE FOLLOWING:

- 1 (i) TO PERFORM OR PROVIDE REIMBURSEMENT FOR THE REPAIR,
- 2 REPLACEMENT, OR MAINTENANCE OF A CONSUMER PRODUCT BECAUSE OF THE
- 3 OPERATIONAL OR STRUCTURAL FAILURE OF THE CONSUMER PRODUCT DUE TO A
- 4 DEFECT IN MATERIALS OR WORKMANSHIP; ACCIDENTAL DAMAGE FROM
- 5 HANDLING, POWER SURGE, OR INTERRUPTION: OR NORMAL WEAR AND TEAR,
- 6 WITH OR WITHOUT ADDITIONAL PROVISIONS FOR INCIDENTAL PAYMENT OF
- 7 INDEMNITY UNDER LIMITED CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED
- 8 TO, TOWING, RENTAL, AND EMERGENCY ROAD SERVICE.
- 9 (ii) THE REPAIR OR REPLACEMENT OR INDEMNIFICATION FOR THE
- 10 REPAIR OR REPLACEMENT OF A MOTOR VEHICLE FOR THE OPERATIONAL OR
- 11 STRUCTURAL FAILURE OF 1 OR MORE PARTS OR SYSTEMS OF THE MOTOR
- 12 VEHICLE BROUGHT ABOUT BY THE FAILURE OF AN ADDITIVE PRODUCT TO
- 13 PERFORM AS REPRESENTED.
- 14 (iii) THE REPAIR OR REPLACEMENT OF TIRES OR WHEELS ON A MOTOR
- 15 VEHICLE DAMAGED AS A RESULT OF COMING INTO CONTACT WITH ROAD
- 16 HAZARDS, INCLUDING, BUT NOT LIMITED TO, POTHOLES, ROCKS, WOOD
- 17 DEBRIS, METAL PARTS, GLASS, PLASTIC, CURBS, OR COMPOSITE SCRAPS.
- 18 (iv) THE REMOVAL OF DENTS, DINGS, OR CREASES ON A MOTOR VEHICLE
- 19 THAT CAN BE REPAIRED USING THE PROCESS OF PAINTLESS DENT REMOVAL
- 20 WITHOUT AFFECTING THE EXISTING PAINT FINISH AND WITHOUT REPLACING
- 21 VEHICLE BODY PANELS, SANDING, BONDING, OR PAINTING.
- 22 (v) THE REPAIR OF SMALL MOTOR VEHICLE WINDSHIELD CHIPS OR
- 23 CRACKS, OR IF A WINDSHIELD CANNOT BE REPAIRED, THE REPLACEMENT OF
- 24 THE WINDSHIELD.
- 25 (vi) THE REPLACEMENT OF AN INOPERABLE, LOST, OR STOLEN MOTOR
- 26 VEHICLE KEY OR KEY FOB.