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2 An act relating to warranty companies; amending
3 s. 634.011, F.S.; redefining the term "motor
4 vehicle" with respect to motor vehicle service
5 agreement companies; amending s. 634.121, F.S.;
6 authorizing such service agreement companies to
7 limit both the time period within which a
8 consumer may transfer the agreement and the
9 number of transfers permissible; amending s.
10 634.301, F.S.; providing a definition; amending
11 s. 634.312, F.S.; providing for a required
12 element of home warranty contracts; creating s.
13 634.331, F.S.; providing that a home warranty
14 may provide coverage of residential property
15 listed for sale prior to the sale of such
16 property under certain circumstances; amending
17 s. 634.406, F.S.; revising language with
18 respect to financial requirements; providing an
19 effective date.
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21 Be It Enacted by the Legislature of the State of Florida:
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23 Section 1. Subsection (6) of section 634.011, Florida
24 Statutes, is amended to read:

25 634.011 Definitions.--As used in this part, the term:

26 (6) "Motor vehicle" means:

27 (a) A self-propelled device operated solely or
28 primarily upon roadways to transport people or property, or
29 the component part of such a self-propelled device, except
30 such term does not include any self-propelled vehicle, or
31 component part of such vehicle, which:

1 1. Has a gross vehicle weight rating of 10,000 pounds
2 or more, and is not a recreational vehicle as defined by s.
3 320.01(1)(b);

4 2. Is designed to transport more than 10 passengers,
5 including the driver; or

6 3. Is used in the transportation of materials found to
7 be hazardous for the purposes of the Hazardous Materials
8 Transportation Act, as amended, 49 U.S.C. ss. 1801 et seq.; or

9 (b) A self-propelled device operated solely or
10 primarily upon water for noncommercial, personal use, ~~or~~ the
11 engine of such a vehicle, or a trailer or other device used to
12 transport such vehicle or device.

13 Section 2. Subsection (4) of section 634.121, Florida
14 Statutes, is amended to read:

15 634.121 Filing of forms, required procedures,
16 provisions.--

17 (4) All motor vehicle service agreements are
18 assignable in a consumer transaction and must contain a
19 statement in conspicuous, boldfaced type, informing the
20 purchaser of the service agreement of his right to assign it,
21 ~~before the expiration date,~~ to a subsequent retail purchaser
22 of the motor vehicle covered by the service agreement and all
23 conditions on such right of transfer. The assignment must
24 occur within a period of time specified in the agreement,
25 which period may not expire earlier than 15 days after the
26 date of the sale or transfer of the motor vehicle. The service
27 agreement company may charge an assignment fee not to exceed
28 \$40.

29 Section 3. Subsections (10), (11), (12), (13) and (14)
30 of section 634.301, Florida Statutes, are renumbered as

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1 subsections (11), (12), (13), (14), and (15) respectively, and
2 a new subsection (10) is added to said section to read:

3 634.301 Definitions.--As used in this part, the term:
4 (10) "Listing period" means the period of time
5 residential property is listed for sale with a licensed real
6 estate broker, beginning on the date the residence is first
7 listed for sale and ending on either the date the sale of the
8 residence is closed, the date the residence is taken off the
9 market, or the date the listing contract with the real estate
10 broker expires.

11 Section 4. Subsection (4) of section 634.312, Florida
12 Statutes, is renumbered as subsection (5) and a new subsection
13 (4) is added to said section to read:

14 634.312 Filing, approval of forms.--

15 (4) All home warranty contracts are assignable in a
16 consumer transaction and must contain a statement informing
17 the purchaser of the home warranty of his right to assign it,
18 at least within 15 days from the date the home is sold or
19 transferred, to a subsequent retail purchaser of the home
20 covered by the home warranty and all conditions on such right
21 of transfer. The home warranty company may charge an
22 assignment fee not to exceed \$40. Home warranty assignments
23 include, but are not limited to, the assignment from a home
24 builder who purchased the home warranty to a subsequent home
25 purchaser.

26 Section 5. Section 634.331, Florida Statutes, is
27 created to read:

28 634.331 Coverage of property for sale.--A home
29 warranty may provide coverage of residential property during
30 the listing period of such property for a period not to exceed
31 12 months, provided that the home warranty company charges the

1 warranty purchaser a separately identifiable charge for the
2 list period coverage in an amount equal to at least 15 percent
3 of the annual premium charged for the home warranty and the
4 charge for such coverage is due at the earlier of the end of
5 the listing period or the date the sale of the residential
6 property is closed.

7 Section 6. Subsection (5) of section 634.406, Florida
8 Statutes, is amended to read:

9 634.406 Financial requirements.--

10 (5) No warranty seller may allow its gross written
11 premiums in force to exceed a 7 5 to 1 ratio to net assets.

12 Section 7. This act shall take effect October 1, 1997.

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