

By Senator Villalobos

37-1536-02

1 A bill to be entitled
2 An act relating to motor vehicle service
3 agreements; amending s. 634.011, F.S.; revising
4 the definition of the term "motor vehicle
5 service agreement" to include contracts
6 covering vehicle-protection products; defining
7 the terms "vehicle-protection expenses" and
8 "vehicle-protection product"; providing an
9 effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Subsection (8) of section 634.011, Florida
14 Statutes, is amended and subsections (18) and (19) are added
15 to that section to read:

16 634.011 Definitions.--As used in this part, the term:
17 (8) "Motor vehicle service agreement" or "service
18 agreement" means any contract or agreement indemnifying the
19 service agreement holder for the motor vehicle listed on the
20 service agreement and arising out of the ownership, operation,
21 and use of the motor vehicle against loss caused by failure of
22 any mechanical or other component part, or any mechanical or
23 other component part that does not function as it was
24 originally intended; however, nothing in this part shall
25 prohibit or affect the giving, free of charge, of the usual
26 performance guarantees by manufacturers or dealers in
27 connection with the sale of motor vehicles; and provided
28 further, however, transactions exempt under s. 624.125 shall
29 be expressly excluded from this definition and are exempt from
30 the provisions of this part. The term "motor vehicle service
31 agreement" includes any contract or agreement which provides

1 the coverage or protection defined in this subsection and is
2 issued or provided in conjunction with an additive product
3 applied to the motor vehicle which is the subject of such
4 contract or agreement and also includes any contract or
5 agreement that provides payment for vehicle-protection
6 expenses and is provided in conjunction with a
7 vehicle-protection product.

8 (18) "Vehicle-protection expenses" means payments to a
9 service agreement holder for the failure of a vehicle
10 protection product to prevent the theft of a motor vehicle.
11 Payments to a service agreement holder under this subsection
12 include unreimbursed incidental expenses incurred by the
13 service agreement holder, including only:

14 (a) Loss or damage to the vehicle as a result of the
15 failure of the vehicle-protection product to prevent the theft
16 or not result in the return of a stolen motor vehicle; and

17 (b) Expenses for a replacement vehicle, temporary
18 vehicle rental expenses, and registration expenses for a
19 replacement vehicle.

20 (19) "Vehicle-protection product" means a product or
21 system that is installed or applied to a motor vehicle and
22 designed to prevent the theft of that vehicle.

23 Section 2. This act shall take effect July 1, 2002.

24
25 *****

26 SENATE SUMMARY

27 For purposes of provisions relating to motor vehicle
28 service agreements, the bill revises the definition of
29 such agreements to include contracts providing coverage
30 for vehicle-protection products. Defines the terms
31 "vehicle-protection expenses" and "vehicle-protection
product."