

By Senator Garcia

40-1159-05

1                                   A bill to be entitled  
2            An act relating to motor vehicle service  
3            agreements; amending s. 634.011, F.S.;  
4            including paintless dent-removal in the  
5            services that may be covered by such  
6            agreements; providing an effective date.

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8   Be It Enacted by the Legislature of the State of Florida:

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10           Section 1. Paragraph (c) is added to subsection (7) of  
11   section 634.011, Florida Statutes, to read:

12            634.011 Definitions.--As used in this part, the term:  
13            (7) "Motor vehicle service agreement" or "service  
14   agreement" means any contract or agreement indemnifying the  
15   service agreement holder for the motor vehicle listed on the  
16   service agreement and arising out of the ownership, operation,  
17   and use of the motor vehicle against loss caused by failure of  
18   any mechanical or other component part, or any mechanical or  
19   other component part that does not function as it was  
20   originally intended; however, nothing in this part shall  
21   prohibit or affect the giving, free of charge, of the usual  
22   performance guarantees by manufacturers or dealers in  
23   connection with the sale of motor vehicles. Transactions  
24   exempt under s. 624.125 are expressly excluded from this  
25   definition and are exempt from the provisions of this part.  
26   The term "motor vehicle service agreement" includes any  
27   contract or agreement that provides:

28            (a) For the coverage or protection defined in this  
29   subsection and which is issued or provided in conjunction with  
30   an additive product applied to the motor vehicle that is the  
31   subject of such contract or agreement; ~~or~~

1 (b) For payment of vehicle protection expenses.

2 1.a. "Vehicle protection expenses" means a  
3 preestablished flat amount payable for the loss of or damage  
4 to a vehicle or expenses incurred by the service agreement  
5 holder for loss or damage to a covered vehicle, including, but  
6 not limited to, applicable deductibles under a motor vehicle  
7 insurance policy; temporary vehicle rental expenses; expenses  
8 for a replacement vehicle that is at least the same year,  
9 make, and model of the stolen motor vehicle; sales taxes or  
10 registration fees for a replacement vehicle that is at least  
11 the same year, make, and model of the stolen vehicle; or other  
12 incidental expenses specified in the agreement.

13 b. "Vehicle protection product" means a product or  
14 system installed or applied to a motor vehicle or designed to  
15 prevent the theft of the motor vehicle or assist in the  
16 recovery of the stolen motor vehicle.

17 2. Vehicle protection expenses shall be payable in the  
18 event of loss or damage to the vehicle as a result of the  
19 failure of the vehicle protection product to prevent the theft  
20 of the motor vehicle or to assist in the recovery of the  
21 stolen motor vehicle. Vehicle protection expenses covered  
22 under the agreement shall be clearly stated in the service  
23 agreement form, unless the agreement provides for the payment  
24 of a preestablished flat amount, in which case the service  
25 agreement form shall clearly identify such amount.

26 3. Motor vehicle service agreements providing for the  
27 payment of vehicle protection expenses shall either:

28 a. Reimburse a service agreement holder for the  
29 following expenses, at a minimum: deductibles applicable to  
30 comprehensive coverage under the service agreement holder's  
31 motor vehicle insurance policy; temporary vehicle rental

1 expenses; sales taxes and registration fees on a replacement  
2 vehicle that is at least the same year, make, and model of the  
3 stolen motor vehicle; and the difference between the benefits  
4 paid to the service agreement holder for the stolen vehicle  
5 under the service agreement holder's comprehensive coverage  
6 and the actual cost of a replacement vehicle that is at least  
7 the same year, make, and model of the stolen motor vehicle; or

8 b. Pay a preestablished flat amount to the service  
9 agreement holder.

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11 Payments shall not duplicate any benefits or expenses paid to  
12 the service agreement holder by the insurer providing  
13 comprehensive coverage under a motor vehicle insurance policy  
14 covering the stolen motor vehicle; however, the payment of  
15 vehicle protection expenses at a preestablished flat amount of  
16 \$5,000 or less does not duplicate any benefits or expenses  
17 payable under any comprehensive motor vehicle insurance  
18 policy; ~~or-~~

19 (c)1. For the payment for paintless dent-removal  
20 services provided by a company whose primary business is  
21 providing such services.

22 2. "Paintless dent-removal" means the process of  
23 removing dents, dings, and creases, including hail damage,  
24 from a vehicle without affecting the existing paint finish,  
25 but does not include services that involve the replacement of  
26 vehicle body panels or sanding, bonding, or painting.

27 Section 2. This act shall take effect July 1, 2005.

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30 SENATE SUMMARY

31 Includes paintless dent-removal in the services that may  
be covered by motor vehicle service agreements.