

1                   A bill to be entitled  
 2           An act relating to motor vehicle service agreements;  
 3           amending s. 634.011, F.S.; including provision of payments  
 4           for paintless dent removal services within application of  
 5           the term "motor vehicle service agreement"; providing  
 6           definitions; 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. Subsection (7) of section 634.011, Florida  
 11   Statutes, is amended 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 originally  
 20   intended; however, nothing in this part shall prohibit or affect  
 21   the giving, free of charge, of the usual performance guarantees  
 22   by manufacturers or dealers in connection with the sale of motor  
 23   vehicles. Transactions exempt under s. 624.125 are expressly  
 24   excluded from this definition and are exempt from the provisions  
 25   of this part. The term "motor vehicle service agreement"  
 26   includes any contract or agreement that provides for any of the  
 27   following:

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. ~~;~~

32 (b) For payment of vehicle protection expenses.

33 1.a. "Vehicle protection expenses" means a preestablished  
 34 flat amount payable for the loss of or damage to a vehicle or  
 35 expenses incurred by the service agreement holder for loss or  
 36 damage to a covered vehicle, including, but not limited to,  
 37 applicable deductibles under a motor vehicle insurance policy;  
 38 temporary vehicle rental expenses; expenses for a replacement  
 39 vehicle that is at least the same year, make, and model of the  
 40 stolen motor vehicle; sales taxes or registration fees for a  
 41 replacement vehicle that is at least the same year, make, and  
 42 model of the stolen vehicle; or other incidental expenses  
 43 specified in the agreement.

44 b. "Vehicle protection product" means a product or system  
 45 installed or applied to a motor vehicle or designed to prevent  
 46 the theft of the motor vehicle or assist in the recovery of the  
 47 stolen motor vehicle.

48 2. Vehicle protection expenses shall be payable in the  
 49 event of loss or damage to the vehicle as a result of the  
 50 failure of the vehicle protection product to prevent the theft  
 51 of the motor vehicle or to assist in the recovery of the stolen  
 52 motor vehicle. Vehicle protection expenses covered under the  
 53 agreement shall be clearly stated in the service agreement form,  
 54 unless the agreement provides for the payment of a

55 preestablished flat amount, in which case the service agreement  
 56 form shall clearly identify such amount.

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

59 a. Reimburse a service agreement holder for the following  
 60 expenses, at a minimum: deductibles applicable to comprehensive  
 61 coverage under the service agreement holder's motor vehicle  
 62 insurance policy; temporary vehicle rental expenses; sales taxes  
 63 and registration fees on a replacement vehicle that is at least  
 64 the same year, make, and model of the stolen motor vehicle; and  
 65 the difference between the benefits paid to the service  
 66 agreement holder for the stolen vehicle under the service  
 67 agreement holder's comprehensive coverage and the actual cost of  
 68 a replacement vehicle that is at least the same year, make, and  
 69 model of the stolen motor vehicle; or

70 b. Pay a preestablished flat amount to the service  
 71 agreement holder.

72  
 73 Payments shall not duplicate any benefits or expenses paid to  
 74 the service agreement holder by the insurer providing  
 75 comprehensive coverage under a motor vehicle insurance policy  
 76 covering the stolen motor vehicle; however, the payment of  
 77 vehicle protection expenses at a preestablished flat amount of  
 78 \$5,000 or less does not duplicate any benefits or expenses  
 79 payable under any comprehensive motor vehicle insurance policy.

80 (c) For payment of paintless dent removal services by a  
 81 paintless dent removal provider. For purposes of this paragraph:

HB 825

2005

82           1. "Paintless dent removal services" means the process of  
83 removing dents, dings, creases, and hail damage from vehicles  
84 without affecting the original paint finish. Paintless dent  
85 removal does not include services that involve vehicle panel  
86 replacement, sanding, bonding, or painting.

87           2. "Paintless dent removal provider" means a company whose  
88 primary business consists of providing paintless dent removal  
89 services.

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