

ENROLLED

CS/HB 875

2016 Legislature

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

An act relating to motor vehicle service agreement companies; amending s. 634.011, F.S.; revising and providing definitions; providing an effective date.

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

Section 1. Subsections (14) through (17) of section 634.011, Florida Statutes, are renumbered as subsections (15) through (18), respectively, subsections (2) and (8) of that section are amended, and a new subsection (14) is added to that section, to read:

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

(2) "Additive product" means any fuel supplement, oil supplement, or any other supplement product added to a motor vehicle for the purpose of increasing or enhancing the performance or improving the longevity of such motor vehicle. The term "additive product" does not include a product applied to the exterior or interior surface of a motor vehicle to protect the appearance of the motor vehicle.

(8) "Motor vehicle service agreement" or "service agreement" means any contract or agreement indemnifying the service agreement holder for the motor vehicle listed on the service agreement and arising out of the ownership, operation, and use of the motor vehicle against loss caused by failure of any mechanical or other component part, or any mechanical or

ENROLLED

CS/HB 875

2016 Legislature

27 | other component part that does not function as it was originally
28 | intended; however, nothing in this part shall prohibit or affect
29 | the giving, free of charge, of the usual performance guarantees
30 | by manufacturers or dealers in connection with the sale of motor
31 | vehicles. Transactions exempt under s. 624.125 are expressly
32 | excluded from this definition and are exempt from the provisions
33 | of this part. The term "motor vehicle service agreement"
34 | includes any contract or agreement that provides:

35 | (a) For the coverage or protection defined in this
36 | subsection and which is issued or provided in conjunction with
37 | an additive product applied to the motor vehicle that is the
38 | subject of such contract or agreement;

39 | (b) For payment of vehicle protection expenses.

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

51 | b. "Vehicle protection product" means a product or system
52 | installed or applied to a motor vehicle or designed to prevent

ENROLLED

CS/HB 875

2016 Legislature

53 the theft of the motor vehicle or assist in the recovery of the
54 stolen motor vehicle.

55 2. Vehicle protection expenses shall be payable in the
56 event of loss or damage to the vehicle as a result of the
57 failure of the vehicle protection product to prevent the theft
58 of the motor vehicle or to assist in the recovery of the stolen
59 motor vehicle. Vehicle protection expenses covered under the
60 agreement shall be clearly stated in the service agreement form,
61 unless the agreement provides for the payment of a
62 preestablished flat amount, in which case the service agreement
63 form shall clearly identify such amount.

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

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

77 b. Pay a preestablished flat amount to the service
78 agreement holder.

ENROLLED

CS/HB 875

2016 Legislature

79
 80 Payments shall not duplicate any benefits or expenses paid to
 81 the service agreement holder by the insurer providing
 82 comprehensive coverage under a motor vehicle insurance policy
 83 covering the stolen motor vehicle; however, the payment of
 84 vehicle protection expenses at a preestablished flat amount of
 85 \$5,000 or less does not duplicate any benefits or expenses
 86 payable under any comprehensive motor vehicle insurance policy;
 87 ~~or~~

88 (c)1. For repair or replacement of tires or wheels on a
 89 motor vehicle damaged as a result of encountering a road hazard;

90 (d) For removal of dents, dings, or creases on a motor
 91 vehicle that may be repaired using the process of paintless dent
 92 removal without affecting the existing paint finish and without
 93 using replacement body panels, or sanding, bonding, or painting;
 94 or

95 (e) For replacement of a motor vehicle key or key fob if
 96 the key or key fob is inoperable, lost, or stolen ~~For the~~
 97 ~~payment for paintless dent removal services provided by a~~
 98 ~~company whose primary business is providing such services.~~

99 ~~2. "Paintless dent removal" means the process of removing~~
 100 ~~dents, dings, and creases, including hail damage, from a vehicle~~
 101 ~~without affecting the existing paint finish, but does not~~
 102 ~~include services that involve the replacement of vehicle body~~
 103 ~~panels or sanding, bonding, or painting.~~

104 (14) "Road hazard" means a danger that is encountered

ENROLLED

CS/HB 875

2016 Legislature

105 while operating a motor vehicle. The term includes, but is not
106 limited to, potholes, rocks, debris, metal parts, glass,
107 plastic, curbs, and composite scraps. The term does not include
108 any damage caused by collision with another vehicle, vandalism,
109 or other causes usually covered under the comprehensive or
110 collision coverages provided by an automobile physical damage
111 policy.

112 Section 2. This act shall take effect July 1, 2016.